DataTrack 13

Thirteenth in a series of reports which compile and interpret statistical information of direct concern to life insurance executives

American Council of Life Insurance
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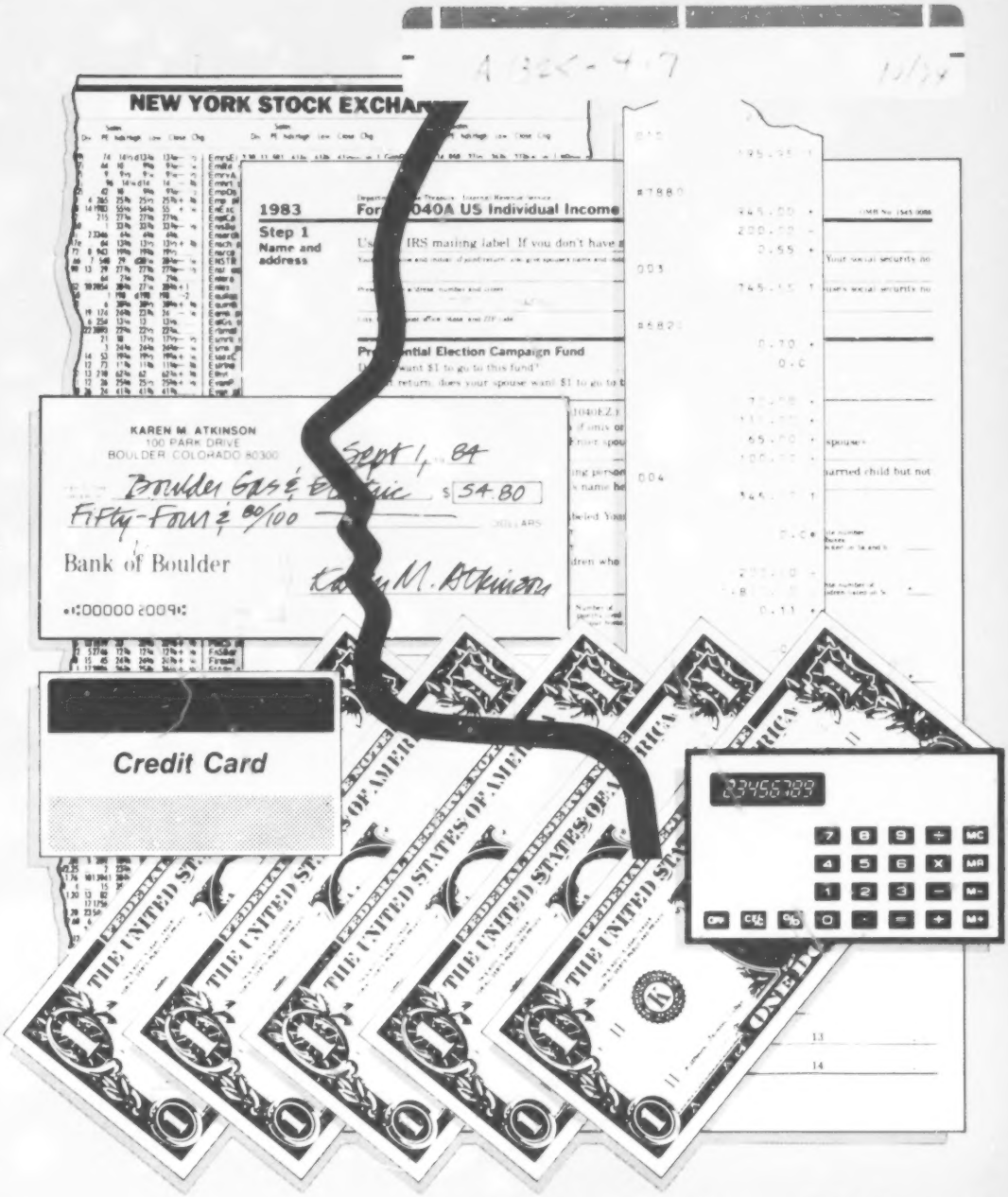

Women and Money

DataTrack 13

Women and Money

Today, there are many signs that point to the growing complexities of women's finances and the increasing importance of financial planning for women. *DataTrack* No. 13, "Women and Money," looks at the changing financial status of women and some of the trends that are fueling that change. The report presents data on the amount and sources of women's income, women's financial assets, labor force trends, women's job earnings, the effects of the changing family on women's finances, and women's attitudes toward finances.

"Women and Money" is the latest in the series of reports by the American Council of Life Insurance on demographic topics of interest to life insurance executives. Each study compiles data from a variety of sources—mainly government—on issues that will have an impact on society and on the future of the life insurance business. *DataTrack* can be useful in the design of new products and services to meet changing consumer needs, the selection of new markets and marketing strategies, the formulation of new advertising, the long-range planning of corporate strategies, planning for changes in human resources, and for public relations generally.

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Highlights

DataTrack No. 13, "Women and Money" identifies some of the trends concerning the economic status of women that have been taking place over the past few decades. Many of these trends point to an environment of increasing financial independence and a growing need for financial planning among American women today. Following are some highlights from the report.

Amount and Sources of Income

- In 1960, a little over one-half of American women 14 years and older had some form of income; by 1982, the proportion was nearly 9 in 10.
- During the 1980s, the real income (adjusted for inflation) of women has been increasing while that for men has been on the decline.
- Women who are married are four times as likely as those maintaining families alone to have a family income of $30,000 or more. Six in 10 women who are the sole parent of the household report family incomes below $15,000.
- Between 1960 and 1980, the median income of minority women improved more quickly than that of white women. In 1980, the median income of minority women was 96% that of whites, up from 62% in 1960. But by 1982, the proportion had dropped to 89%.
- The share of women with interest income rose dramatically between 1975 and 1982, from 15% to over 50%. By 1982, interest was the most common income source for women. However, the top income generator (in terms of amount of income) in 1982 was retirement income (private pensions; annuities; military pensions; and federal, state or local employee pensions) which provided a median of $9,902 for the nearly 5% of all women having that type of income.

Women's Financial Assets

- The number of adult women owning stock rose 44% between 1981 and 1983, while the number of male shareholders grew only about 22%. The typical first-time investor of the early 1980s was female, 34 years of age, married, and working in a clerical or sales job.
- A greater share of life insurance is being bought by women today. In 1982, for example, adult women's policies purchased represented 23% of the total amount of ordinary life insurance bought that year—nearly twice the level of 1972.
- One indicator of women's growing financial independence is the trend toward increasing ownership of various financial products in a woman's own name, rather than jointly.

Women at Work

- During the 1970s, 57 out of every 100 additions to the labor force were women. Between 1980 and 1983, women represented 65 out of every 100 new members of the work force.
- In 1981, for the first time, women with small children were more likely than women without children in the home to be in the labor force.
- Although divorced women are more likely to work than women of other marital status, married women experienced the largest increase in labor force participation rates during the last two decades.
- Increasingly, both women and men are working on part-time job schedules.
- Women now make up over 32% of all workers in the "executive, administrative and managerial" category, a significant gain from almost 19% in 1970. But women still remain concentrated in traditionally female occupations.
- Among working women today, earned income is a greater economic necessity than in the past. In 1982, 6 of every 10 employed women said they were working primarily to support themselves or their families, compared with 4 in 10 in 1970.

Women's Earnings

- In 1982, women working in full-time jobs had earnings that were, on average, 65% of men's, about the same proportion as in 1967.
- Women's wages lag behind men's at every level of education. A female college graduate working year-round and full-time in 1982 earned only about $300 more, on average, than a man who did not graduate from high school.

The Changing Family and Women's Finances

- Dual-earner married couples increased from 44% of all husband-wife families in 1967 to 52% in 1981.
- Of the 49 million married couples in the U.S. in 1981, 12% were ones in which the wife earned more than the husband.
- Men fare better economically than women and children as the result of the breakup of a marriage.
- The majority of adults living in poverty are women. In 1982, women comprised 52% of the population ages 15 years and over but made up 61% of the poor population of that age group.

- Women who maintain families on their own are more likely to face economic hardships than women in other types of family situations. Families maintained by women are nearly 5 times as likely to be in poverty than married-couple families.

Attitudes Toward Finances

- A significant majority of women say they seek "a great deal" or "some" advice from a professional before buying insurance, filing taxes or making investments. Women are more likely than men to seek such advice.
- When shopping for financial products, more women than men compare prices. However, a majority of women feel that quality investment advice is a more important consideration than low price.

Amount and Sources of Income

1. In 1960, 56% of American women received income from a variety of sources. By 1982, it was 89%.

The proportion of women with an income from jobs, investments or other sources has risen dramatically in the past two decades. In 1960, a little over one-half had some form of income. By 1982, the proportion was nearly 9 out of every 10, representing 82.5 million women 14 years of age and older.

Table 1 shows the distribution of women with various levels of income during the period from 1960 to 1982. The dollar figures listed in the table are adjusted for the effects of inflation over the years. Not only do more women have their own income now than two decades ago, but women are making more money. In 1960, for example, the proportion of women who recorded incomes of $20,000 a year or more was very small (1.3%). But in 1980, 7.2% of all women with income made $20,000 or more. And by 1982, the proportion rose to 8.3%.

Table 1

Income of Women 14 Years of Age and Older, 1960-1982 (In constant 1982 dollars*)

	1960	1970	1980	1982
Number (1,000s)	65,282	77,649	91,133	93,145
Number with income (1,000s)	36,526	51,647	80,826	82,505
Total with income (%)	100.0	100.0	100.0	100.0
$1 to $1,999 or less	31.6	23.9	21.2	21.7
2,000 to 3,999	18.5	16.5	16.9	15.9
4,000 to 5,999	10.7	12.2	13.2	13.1
6,000 to 7,999	9.5	8.6	9.7	9.9
8,000 to 9,999	7.6	7.9	8.5	7.6
10,000 to 12,499	10.0	9.9	8.4	9.3
12,500 to 14,999	4.7	5.7	6.8	5.8
15,000 to 19,999	5.4	9.2	7.9	8.3
20,000 to 24,999	1.3	3.1	3.8	4.4
25,000 and over	.8	3.0	3.4	3.9

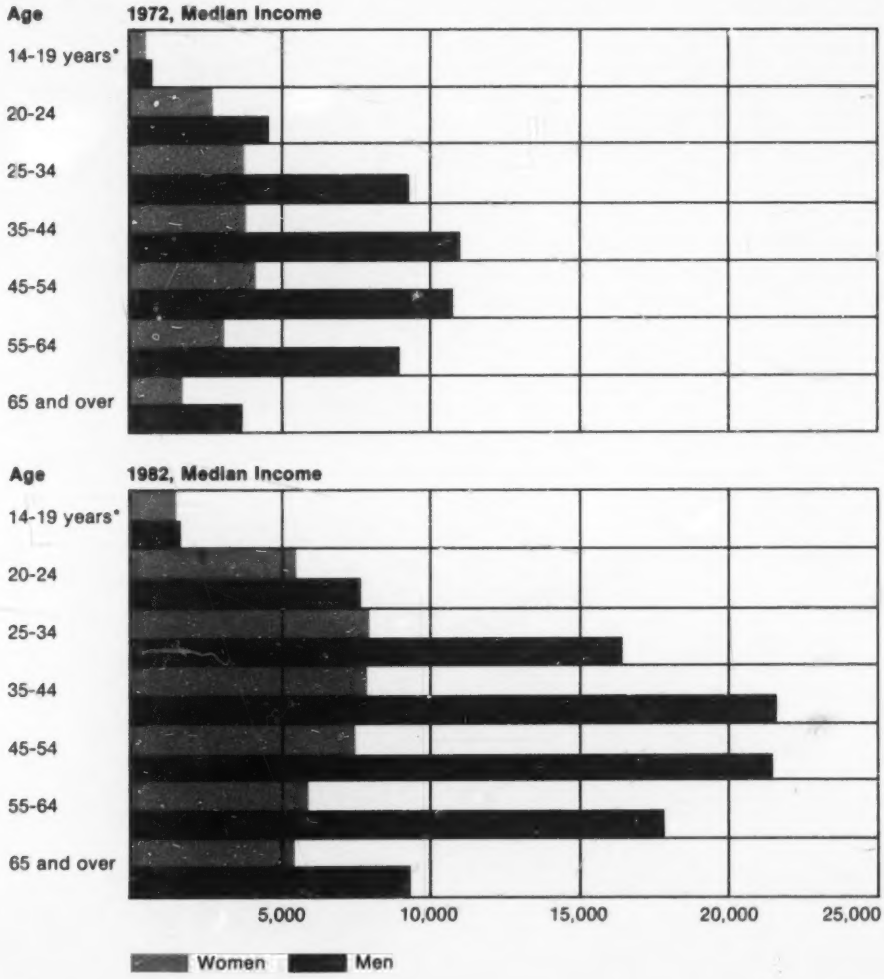
**Dollars are adjusted for the effects of inflation.*

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-60, No. 142.*

While the real income for women has been increasing recently, that for men has been on the decline. Between 1980 and 1982, the median income for women (in 1982 dollars, i.e., adjusted for inflation) rose from $5,763 to $5,887. By comparison, men's median income dropped from $14,678 to $13,950.[1]

Figure A

Median Income of Men and Women, 14 Years of Age and Older, by Age, 1972 and 1982



**Ages 15-19 only for 1982*

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-60, Nos. 90 and 140.*

[1] *U.S. Bureau of the Census,* Current Population Reports, *Series P-60, No. 142, Table 40.*

2. Age is a less important indicator of total income for women than it is for men.

Teenaged men and women in 1982 reported about the same level of median income—approximately $1,700—which was the lowest income reported for any age group of either sex 15 years or older. The age-income curve was highest for women at ages 25 to 34—a level over 4 times the teenaged median income. Age has a much stronger relationship to income for men than women. The apex of the median income curve for men in 1982 (at ages 35 to 44) was over 12 times higher than it was for men 15 to 19 years of age.

The age-income distributions for 1972 and 1982 in Figure A are similar in that teenaged men and women earn about the same income. Also, as a group, men's incomes rise faster and peak at a higher level than women as they move into their peak earning years—true for both 1972 and 1982 alike.

3. In 1982 as in 1970, divorced women had a higher individual income than single, married, or widowed women.

Divorced women report the highest median individual income for women of any marital status, probably because they are more likely to work full-time. In 1982, for example, the median income for married women was $5,643, about 54% of that for divorced women which was $10,536.

In 1970, the lowest median income was reported by women who were widowed. But in 1982, widows were no longer at the bottom of the income ladder, due in large measure to major cost of living adjustments in government program benefits. Married women had the lowest median individual income of all in 1982.

Table 2

Marital Status of Women 18 Years and Older, by Median Income, 1970 and 1982

	Median Income	
	1970	1982
Single	$3,427	$ 6,011
Married, husband present	3,601	5,643
Widowed	3,249	6,142
Divorced	5,961	10,536

Note: Dollars not adjusted for inflation.

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-60, Nos. 142 and 105.*

4. Women in married-couple families were financially better off in terms of their total family income than women heading families alone.

The median family income in 1982 for women with families was about $24,000. Women who are married are four times as likely as those heading families alone to have a family income of $30,000 or more. Four of every 10 wives had family incomes of $30,000 or above in 1982, compared to 1 in 10 women who were single parents. This is not particularly surprising considering that married-couple families are much more likely to have two or more earners than families maintained by women. In 1981, for example, over 60% of married-couple families contained at least two earners, compared with only 28% of families maintained by women.[2]

Women who are single parents are most likely to be concentrated at the lower end of the family income spectrum. Six out of every 10 such women reported family incomes below $15,000 in 1982.

Table 3

Total 1982 Family Income of Women in Families, by Relationship to Householder

	Women in Families				
		Householder			
Total 1982 Family Income	**Total**	**Husband Present**	**Husband Absent**	**Wife of Householder**	**Other relative of Householder**
Under $5,000	5.6%	4.2%	21.1%	2.9%	3.4%
$5,000 to 9,999	10.3	10.1	22.9	8.1	9.7
10,000 to 14,999	12.2	12.7	17.6	11.4	9.7
15,000 to 19,999	12.0	13.5	13.2	11.8	10.2
20,000 to 29,999	22.8	21.5	15.1	24.3	19.7
30,000 to 39,999	16.3	14.6	4.6	17.4	13.1
40,000 to 49,999	10.0	9.3	2.3	10.5	13.2
50,000 and over	12.7	14.1	3.1	12.9	19.0
Total (%)	100.0	100.0	100.0	100.0	100.0
Total women (in 1,000s)	70,617	2,184	8,129	47,663	12,641

Note: Percentages may not add to 100% due to rounding.

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-60, No. 142.*

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[2] *Howard Hayghe, "Marital and Family Patterns of Workers: an Update,"* Monthly Labor Review, *May 1982.*

5. In 1980 minority women reported a median income that was about 96% that of white women, up from 62% in 1960.

Between 1960 and 1980, the median income of women of minority races improved more quickly than that for white women—465% and 266% respectively. By 1980, the median income for all white women was $4,947 compared to $4,732 for women of black and other minority races. During the early 1980s, however, the trend toward equalization of income slowed slightly. The median income for minority women dropped to 89% of white women's income by 1982.

Table 4

Women's Median Income, by Race, 1960-1982

	White	Black and Other Races
1960	$1,352	$ 837
1970	2,266	2,084
1980	4,947	4,732
1982	5,967	5,341

Note: Dollars not adjusted for inflation.

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-60, No. 142.*

6. In 1982 women with some schooling beyond college had an average income 3½ times that of women with only 8 years of education.

For men and women alike, formal education has a strong correlation to an individual's income. The 1982 median income for women with 5 years or more of college was $16,755 compared with $4,657 for those with only an eighth grade education. The relationship of education to women's income was as strong in 1982 as it was two decades earlier.

Table 5

Educational Attainment of Women 25 Years and Older, by Median Income, 1963-1982

Educational Attainment	1963	1970	1982
8 years	$1,186	$1,803	$ 4,657
High School	2,288	3,400	6,965
1 to 3 years college	2,327	3,722	8,583
4 years college	3,393	5,362	11,717
5 or more years college	4,034	7,889	16,755

Note: Dollars not adjusted for inflation.

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-60, Nos. 43, 80 and 140.*

Some of the discrepancy in the incomes of women with different levels of education can be explained by the fact that women with more schooling are more likely to hold full-time jobs.[3] Nonetheless, for women with full-time jobs in 1982, the gap between the median incomes of those at the highest and lowest educational levels is significant. Full-time women workers with 5 or more years of college had a median income of $21,449—more than twice that of women with 8 years of schooling. (See Table 6.)

Table 6

Median Income of Year-Round, Full-Time Women Workers, 25 Years and Older, by Education, 1982

	Median Income 1982
8 years	$10,112
High school	13,240
1 to 3 years college	15,594
4 years college	17,405
5 or more years college	21,449

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-60, No. 140.*

7. The proportion of women with interest income rose dramatically between 1975 and 1982, from 15% to over 50%.

In 1975, more women had income from a job (48.8%) than any other income source. Social security or railroad pensions were the next most common income type for women in 1975 (17.1%), followed by interest earnings (15.3%). Over the next seven years, the income sources for women shifted noticeably. By 1982, interest was the most common income producer for women (53.5%), wage or salary income was a close second (53.1%), and social security/retirement was third (20%).

Although women are most likely to have interest or wage/salary income, neither of these sources is the top income generator. Retirement income (private pensions; annuities; military pensions; and federal, state, or local employee pensions) provided a median of $9,902 for the nearly 5% of all women who had that type of income in 1982. The second highest income producer for women was the category that included dividends, rent, estates and trusts, with a median of $9,447, but only about 15% of all women reported income from these sources. Next was wage or salary income at a median income of $8,984.

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[3] *Carol Leon and Robert W. Bednarzik, "A profile of women on part-time schedules,"* Monthly Labor Review, *October 1978.*

Table 7

Type of Income of Women, 1975 and 1982

Type of Income	Women 15 Years and Older					
	1975			1982		
	Total with Income (1,000s)	% of All Women	Median Income	Total with Income (1,000s)	% of All Women	Median Income
Wage or salary	41,489	48.8	$4,581	49,481	53.1	$8,984
Nonfarm self-employment	2,024	2.4	2,588	3,243	3.5	5,425
Interest	12,958	15.3	4,896	49,763	53.5	7,018
Dividends, net rent, and estates or trusts	5,232	6.2	5,776	13,610	14.6	9,447
Social security or railroad retirement	14,506	17.1	2,690	18,704	20.0	5,256
Supplement security	2,133	2.5	2,222	2,187	2.3	3,629
Public assistance or welfare	3,193	3.8	2,849	3,527	3.8	3,679
Veterans, unemployment and workers comp.	4,587	5.4	3,892	5,373	5.8	7,701
Retirement*	2,763	3.3	5,430	4,435	4.8	9,902
Other income**	3,129	3.7	4,977	7,113	7.6	7,140
All Income	60,807	71.6	3,385	82,505	88.6	5,887

**Private pensions, annuities, military pensions, and federal, state, or local employee pensions.*

***Alimony, child support, contributions and any other income.*

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-60, Nos. 142 and 105.*

Women's Financial Assets

1. In 1983, over one-half of all adult stock investors were women.

Traditionally, female stockholders have outnumbered males.[4] And in a recent survey, this indeed was the case. Adult female shareholders outnumbered males in 1983 by 51.5% to 48.5%. However, the 1983 figures show a reversal of a trend toward a male majority that appeared to be emerging during the late 1970s and early 1980s. In 1975 as in previous years, women held a slight edge over men in the ownership of corporate stock, but over the next few years men took the lead, according to surveys taken by the New York Stock Exchange. Then, in 1983, the majority of adult stockholders was once again female.

The number of adult women owning stock rose 44% in the two-year period between 1981 and 1983 while the number of male shareholders increased by only 21.8%. This trend has been attributed in part to the broader eligibility standards established for Individual Retirement Accounts and Keogh plans under the 1981 Economic Recovery Tax Act. Also, the bull market in 1982 may have attracted women, who have traditionally been more conservative risk takers than men.[5]

Table 8

Shareowners of Public Corporations, by Sex and Age, 1975-1983

	Individual Shareowners		
	1975	1981	1983
Adult males	49.7%	52.7%	48.5%
Adult females	50.3%	47.3%	51.5%
Subtotal adults %	100.0%	100.0%	100.0%
Subtotal adults (in 1,000s)	23,388	29,939	39,611
Minor males	58.5%	57.5%	59.6%
Minor females	41.5%	42.5%	40.4%
Subtotal minors %	100.0%	100.0%	100.0%
Subtotal minors (in 1,000s)	1,818	2,321	2,749
Total Shareowners (in 1,000s)	25,206	32,260	42,360

Source: New York Stock Exchange, Facts, *November 30, 1983.*

[4] *Note that many of these women have been widows who inherited stock from their husbands.*

[5] *The New York Stock Exchange,* Shareownership 1983, *page 7.*

A profile of 1983 stockholders reveals some significant gender differences. (See Table 9.) The 20.4 million adult women who owned stock in 1983 were older than men. The median age for women was 48.6 years, 43.7 years for men. Women shareholders were more likely than men to be widowed and to live alone. They were less likely to have completed college and to be employed. But female stockholders employed full-time were almost as likely as men to be in managerial or professional jobs.

There also were differences among men and women with respect to their stock purchasing behavior. Men were more apt to acquire stock through an employee purchase plan than women, but women were more likely to receive stock as a gift or inheritance.

The profile also indicated that male stockholders were somewhat more affluent than female stockholders. The median household income for men was $35,300 in 1983 and $30,500 for women. Men's median portfolio value was also higher: $7,400 versus $4,100 for women.

Table 9

Profile of Adult Shareowners, by Sex, 1983

	Women	Men
Employed	57.6%	80.4%
Employed in Clerical/Sales	40.5	12.2
Employed as Managers/Professionals	51.2	55.2
Completed college	33.5	40.3
Married	61.3	80.8
Widowed	14.1	2.9
One-Person Household	20.1	9.0
First Stock Acquisition: Gift/Inheritance	18.3	11.4
Employee Purchase Plan	28.9	35.7

Source: The New York Stock Exchange, Shareownership 1983, The 10th National Survey.

2. Among people who bought stock for the first time between 1981 and 1983, women outnumbered men 3 to 2.

Of the over 7 million adults who became shareholders for the first time between 1981 and 1983, the typical investor was female, 34 years old, married, and employed in a clerical or sales job. Her portfolio was worth $2,200. New stock buyers are thus younger and more likely to be female.

3. A greater share of life insurance is being bought by women today than ever before.

In 1982 (the latest year for which data are available), life insurance on adult women's lives accounted for over one-third (34%) of all ordinary life insurance policies purchased, compared with 24% in 1972.

Not only are more life insurance policies being sold on women's lives but the policies constitute a larger proportion of the total amount of life insurance sold. Adult women's policies purchased in 1982 represented 23% of the total amount of ordinary life insurance bought that year—about twice the proportion for 1972.

Table 10

Ordinary Life Insurance Purchases in the U.S., by Sex, 1972 and 1982

	Policies		Amount	
	1972	1982	1972	1982
Male insureds under 15 years	9%	7%	3%	2%
Female insureds under 15 years	7	7	2	2
Male adults	60	52	83	73
Female adults	24	34	12	23
Total	100	100	100	100

Source: Life Insurance Marketing and Research Association.

4. In 1983, more women had money in checking accounts than in any other financial vehicle.

Nine out of every 10 women in a 1983 nationwide survey reported having a checking account, about the same proportion as for men. Next in popularity among women was a regular savings account: 68% invested money there, compared with 74% of men. Although men were slightly more likely than women to have money in the investment and savings vehicles listed in Table 11, the relative popularity of the vehicles was the same for both women and men.

Table 11

Ownership of Selected Saving and Investment Products, by Sex, 1983

	Women	Men
Checking accounts	90.3%	89.0%
Regular savings accounts	68.2	74.0
Certificates of deposit/savings certificates	21.3	31.0
U.S. savings bonds	20.8	24.1
Stocks	19.5	28.3
IRA accounts	18.3	24.8
Moneymarket accounts (banks)	18.1	22.9
Mutual funds	6.9	9.0
Money market funds (mutual funds)	6.3	7.1
Money market funds (stock brokerage firms)	5.5	9.7
All-Savers certificates	4.0	5.6
Tax-free municipal bonds	2.9	3.9
Keogh accounts	1.9	2.4
Treasury bills	1.8	3.1
Cash management accounts	1.7	3.9
Corporate bonds	1.5	2.9

Source: Money Magazine, *unpublished data from a 1983 national survey on "Americans and Their Money," conducted by Lieberman Research, Inc.*

5. Women's ownership of various financial products appears to be increasing.

Between 1972 and 1980, for example, the percentage of women with checking accounts rose from 70% to 81%, according to surveys taken by the Roper Organization. The number of savings accounts held by women also rose markedly during that period. Another indication of women's growing financial independence is the trend toward increasing ownership of various financial products in a women's own name, rather than jointly, as shown in Table 12.

Table 12

Financial Items Held by Women, 1972 and 1980

	1972		1980	
	Have	In Own Name	Have	In Own Name
Money in checking account	70%	16%	81%	28%
Money in savings account	63	15	77	28
Credit or charge card	not asked		64	27
Mortgage on home or other property	42	3	42	5
Installment credit loan	27	4	29	7
Shares of common stock	18	4	21	7
Personal loan from bank	19	2	20	4

Source: The Roper Organization, Inc. "The 1980 Virginia Slim's American Women's Opinion Poll."

Women at Work

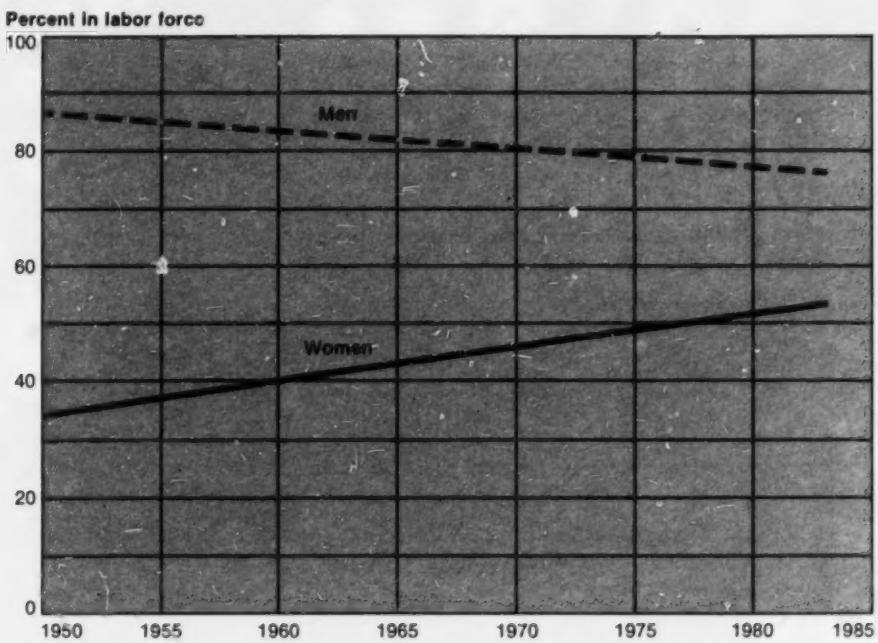
1. During the 1970s, 57 out of every 100 additions to the labor force were women. Between 1980 and 1983, women represented 65 out of every 100 work force additions.

In 1983, over one-half (53%) of women in the U.S. were in the labor force, up from one-third in 1950. In 1983, 48.5 million women were members of the civilian labor force. Between 1950 and 1983, the women's labor force grew twice as rapidly as the labor force in general—164% versus 80%.

While women's labor force participation rate has shown a steady increase over the past few decades, the rate for men has been on the decline. In 1983, 76.4% of men were in the labor force, down from 86.4% in 1950.

Figure B

Labor Force Participation of Men and Women, 1950-1983



Source: U.S. Bureau of Labor Statistics, Women at Work: A Chartbook, *April 1983, and* Employment and Unemployment: A Report on 1983.

2. As more and more women enter the work force, proportionately fewer fill the traditional role of the full-time homemaker.

Twenty years ago a little over one-half of all American women were keeping house full-time and 37% were in the labor force. Today, those figures are reversed. In 1983, 35% were full-time homemakers and 53% were working outside the home or looking for work. The majority of full-time homemakers are 45 years and older.[6] (See Figure C, page 24.)

[6] *U.S. Bureau of Labor Statistics,* Women at Work: A Chartbook, *p. 4.*

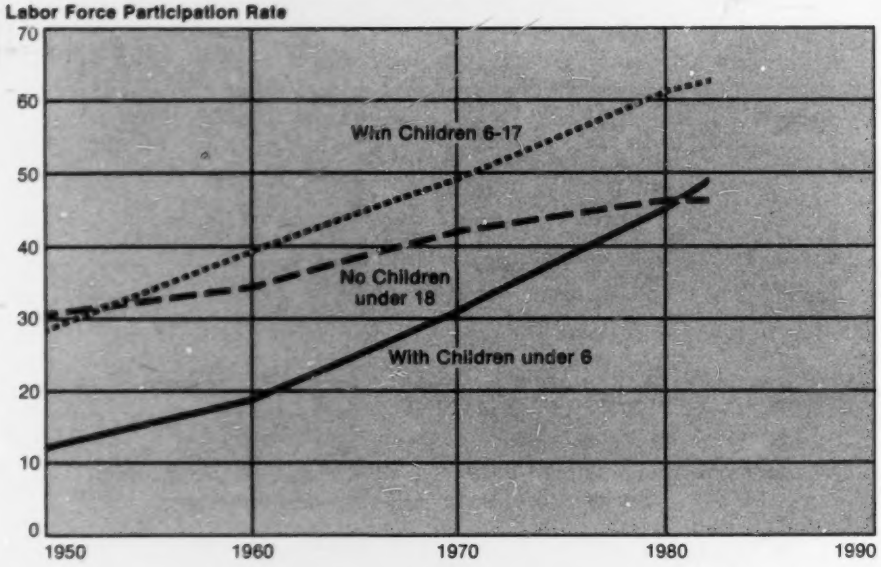
Figure C

Labor Force Status of Women, 1962 and 1983

Source: U.S. Bureau of Labor Statistics, Women at Work: A Chartbook, *April 1983, and* Employment and Unemployment: A Report on 1983.

Figure D

Married Women's Labor Force Participation, by Presence and Age of Children, 1950-1982



Source: U.S. Bureau of Labor Statistics, Handbook of Labor Statistics, *December 1983.*

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3. Until recently, women with preschool-age children were the least likely of any women to be in the labor force.

Through the early 1950s, women who did not have any children under the age of 18 had the highest labor force participation rate. In 1950, for example, 30% of married women with no children under 18 years old were in the work force compared with 28% of women with children ages 6 to 17 and 12% with preschool-age youngsters.[7] (See Figure D.)

Then in the mid-1950s, the labor force rate of women with school-age children surpassed that of women without children. This trend held for over two decades, when in 1981, the participation rate of women with children under 6 years old also passed the rate for women with no children. In 1981, women with small children were more likely to be employed or job-hunting (47.8%) than women without children in the home (46.3%).

4. Divorced women are more likely than other women to be in the labor force.

Three of every 4 divorced women were in the work force in March 1983, about the same proportion as for men of any marital status. Over the years the labor force participation rate of divorced women has not changed greatly. Consistently, their involvement in the work force has been higher than for women of other marital status.

Married women experienced the largest increase in labor force rates during the last two decades. In March 1983, 52% of all married women were working or looking for work, up from only one-third in the early 1960s. Since 1980, most of the growth in the married women's labor force has taken place among those with children under the age of 6.

Table 13

Labor Force Participation of Women by Marital Status, 1963-1983

	Labor Force Participation Rate		
	March 1963	**March 1973**	**March 1983**
All women	38.3%	44.8%	52.3%
Single (never married)	41.0	55.9	62.6
Married, spouse present	33.7	42.2	51.8
Divorced	38.5	71.4	74.6
Separated		52.5	58.7
Widowed		25.2	19.8

Source: U.S. Bureau of Labor Statistics, Handbook of Labor Statistics, *December 1983 and unpublished data.*

[7] *U.S. Bureau of Labor Statistics,* Special Labor Force Report No. 13, *"Marital and Family Characteristics of Workers, March 1960."*

5. *The number of women in part-time jobs rose faster than those in full-time jobs between 1965 and 1983. This trend held true for men as well.*

From 1965 to 1983, the number of part-time employed women increased 87% while the number full-time grew 64%. For men, the corresponding growth rates were 85% for part-time but only 15% for full-time. Increasingly, both women and men are working on part-time job schedules.

As a result, although the majority of women and men are still in full-time jobs, the percentages appear to have dropped a bit over the past two decades. The proportion of women in full-time jobs decreased slightly from 80.7% in 1965 to 78.5% in 1983. And 94.4% of all employed men in 1983 were in full-time jobs, down from 96.5% in 1965.[8]

Of all employed women, those who have never married are least likely to have full-time jobs. Many of these women are teens in part-time jobs. Divorced, widowed, or separated women are most likely of all employed women to be working full-time, as a great number are sole supporters of their families.

Table 14

Percent of Women Employed Full or Part-Time, by Marital Status, March 1983

	Full-time	Part-time	All employed
Married, spouse present	70.0%	30.0%	100.0%
Widowed, divorced, separated	79.6	20.4	100.0
Single (never married)	65.0	35.0	100.0

Source: U.S. Bureau of Labor Statistics, Employment and Earnings, *January 1984.*

6. *Women now make up over 32% of all executive, administrative and managerial workers, a significant gain from almost 19% in 1970.*

During the 1970s, women made some inroads into several of the occupational groups that have been predominantly male. The largest change was in the category of executive, administrative and managerial workers. But despite these gains, in 1983 women were still under-represented in this category compared to their overall share in the labor force. Another less dramatic increase was among technicians, 48% of whom were women in 1983, up from 34% in 1970.

Looking now at more specific occupational groupings, the changes at this level are quite revealing. The proportion of detailed occupational categories that were made up largely of men decreased but the proportion dominated by women stayed about the same. Between 1970 and 1980, there were proportionately fewer men in male-intensive

[8] *U.S. Bureau of the Census,* Statistical Abstract of the United States, 1984; *and U.S. Bureau of Labor Statistics,* Employment and Earnings, *January 1984.*

occupations and proportionately fewer women in female-intensive occupations. And, during that time, the share of men and women in sex-neutral occupations significantly increased. As a result, occupational segregation declined, on the whole, during the 1970.[9]

Despite these changes, women still remain concentrated in traditionally female occupations. They are, however, in a greater variety of professional occupations than in the past. In the early 1970s, for example, three-fifths of all professional women were either teachers or nurses, compared with only one-half today.[10]

Table 15

Percent of Women, 16 Years and Older in Major Occupational Groups, 1970-1983

Occupational Group	Women as Percent of Category		
	1970*	1980	1983**
Executive, administrative, managerial	18.5%	30.5%	32.4%
Professional specialty	44.3	49.1	48.1
Technicians	34.4	43.8	48.2
Sales	41.3	48.7	47.5
Administrative support, incl. clerical	73.2	77.1	79.9
Private household	96.3	95.3	96.1
Protective service	6.6	11.8	12.9
Other service	61.2	57.2	64.0
Farming, forestry, fishing	9.1	14.9	16.0
Precision production, incl. craft	7.3	7.8	8.1
Machine operators	39.7	40.7	42.1
Transportation	4.2	7.8	7.8
Handlers, laborers	17.5	19.8	16.8
Total	38.0	42.5	43.7

**Recoded data using 1980 revised occupational codes.*

***Not strictly comparable to 1970 and 1980 Census data.*

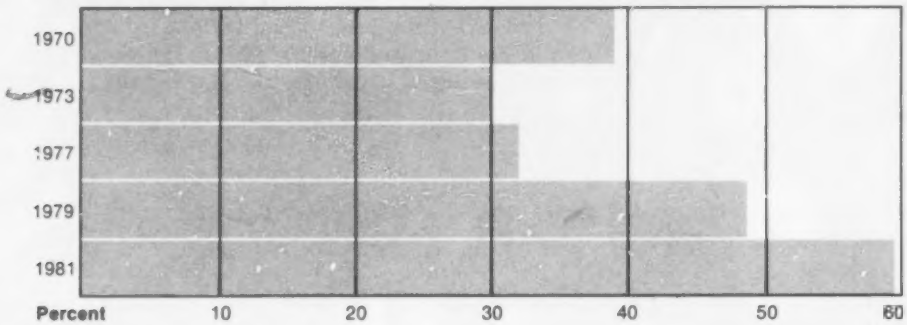
Source: Nancy F. Rytina and Suzanne M. Bianchi, "Occupational Reclassification and Changes in Distribution by Gender," Monthly Labor Review, *March 1984, and U.S. Bureau of Labor Statistics,* Employment and Earnings, *January 1984.*

[9] *Nancy F. Rytina and Suzanne M. Bianchi, "Occupational Reclassificatien and Changes in Distribution by Gender,"* Monthly Labor Review, *March 1984.*

[10] *U.S. Bureau of Labor Statistics,* Women at Work: A Chartbook, *p. 10.*

Figure E

***Proportion of Female Executives in Upper-Level Positions (Vice President or Higher) Newly Listed in* Standard and Poor's Register of Corporations, Directors and Executives, 1970-1981**



Source: J. Benjamin Forbes and James E. Piercy, "Rising to the Top: Executive Women in 1983 and Beyond," Business Horizons, *September-October 1983.*

Table 16

Position of Women Listed in* Standard and Poor's Register of Corporations, Directors and Executives, *by Industry, 1981.

	Percent by Position								
	Pres.	Exec. V.P.	V.P.	Mgr.	Counsel	Sec'y & Treas.	Treas.	Sec'y	Total
Construction	9.4	6.2	6.2	6.2	—	21.9	12.5	37.5	100.0
Manufacturing	16.6	4.3	21.4	10.7	1.0	11.5	7.6	26.9	100.0
Transportation	7.4	—	29.6	7.4	3.7	7.4	3.7	40.7	100.0
Utilities	—	10.5	21.1	10.5	—	5.3	—	52.6	100.0
Wholesale trade	19.1	6.4	19.1	4.3	—	17.0	12.8	21.3	100.0
Retail trade	17.4	10.1	18.8	17.4	—	11.6	4.3	20.3	100.0
Banking	7.1	9.7	57.4	3.9	0.6	2.6	5.2	13.5	100.0
Financial services	6.3	28.1	40.6	6.3	—	3.1	6.3	—	100.0
Insurance	3.4	8.6	41.4	5.2	1.7	3.4	5.2	31.1	100.0
Business services	12.5	13.4	31.3	8.0	0.9	8.0	0.9	35.0	100.0
Miscellaneous	33.0	2.9	15.5	8.7	—	12.6	4.9	22.3	100.0

Note: Percentages may not total 100% due to rounding.

Source: J. Benjamin Forbes and James E. Piercy, "Rising to the Top: Executive Women in 1983 and Beyond," Business Horizons, *September-October 1983.*

7. *Banking and financial service industries have the highest proportion of female executives in upper management positions.*

A recent study of executive women found that though none occupy CEO status in top firms, their numbers are increasing within management in general and within the upper levels of all sizes and types of firms.[11] In 1970, women represented 2% of the new additions to *Standard and Poor's Register of Corporations, Directors and Executives.* By 1981, the proportion had doubled to 4.1%, with a particularly significant increase since 1977. (See Figure E.)

Three-fourths of the female executives listed in *Standard and Poor's Register* from the banking and financial services industry category were at levels of vice-president or above. (See Table 16.) Both business services and insurance industries had the next-highest proportions of female executives in upper management positions—over one-half. Utilities and transportation businesses ranked lowest with only about one in three of their executive women occupying upper level jobs.

8. *Women are going into business for themselves at a greater rate than men.*

Between 1977 and 1981 (the most current data available), the number of nonfarm sole proprietorships operated by women rose 29%, from 2.2 million to almost 2.8 million. During the same period, the number of male-operated sole proprietorships actually declined 13%, from 8.6 million to about 7.5 million. Women's share of all nonfarm proprietorships went

Table 17

Sole Proprietorships in Nonfarm Industries by Sex, 1977-1981

	1977	1981
Number (in 1,000s)		
Male-operated	8,598	7,481
Female-operated	2,158	2,780
Jointly-operated	588	284
Total	11,345	10,545
Percent		
Male-operated	75.8	70.9
Female-operated	19.0	26.4
Jointly-operated	5.2	2.7
Total	100.0	100.0

Source: U.S. Internal Revenue Service, Statistics of Income, 1977 Sole Proprietorship Returns, *and unpublished data.*

[11] *J. Benjamin Forbes and James E. Piercy, "Rising to the Top: Executive Women in 1983 and Beyond,"* Business Horizons, *September-October 1983.*

from 22.6% in 1977 to 26.4% in 1981. Men's share dropped from 74.3% to 70.9% and jointly-operated firms declined slightly from 3.1% to 2.7%.

More recent increases in the number of self-employed women (who make up the majority of sole proprietors) are an indication that the number of female-operated sole proprietorships is still growing. For example, between 1981 and 1983 the number of self-employed women increased 11%; for men, the rise was less than 5%.

Table 18

Self-Employed Workers in Non-Agricultural Industries, by Sex, 1973-1983

	1973	1981	1983
Number (in 1,000s)			
Men	4,057	4,904	5,136
Women	1,417	2,193	2,439
Total	5,474	7,097	7,575
Percent			
Men	74.1	69.1	67.8
Women	25.9	30.9	32.2
Total	100.0	100.0	100.0

Source: U.S. Bureau of Labor Statistics, Employment and Earnings, *January 1982 and January 1983; and the President of the United States,* The State of Small Business, *March 1984.*

9. The economic importance of work for employed women is increasing.

More women said in 1982 that they would prefer a job outside the home (48%) than said that they would prefer to stay home and take care of their house and family (47%), if they were free to do either. In a similar poll in 1973, 60% said they would prefer to stay home and 35% picked a job. (See Table 19.)

Among working women today, earned income is a greater economic necessity than it was in the past. In 1982, 6 of every 10 employed women said they were working primarily to support themselves or their families. In 1970, support of self or family was the main work motivator for only 4 of every 10 working women. While nearly 50% of working women in 1970 indicated they worked primarily for "extra money," that proportion was halved by 1982. (See Table 20.)

Table 19

Women's Preference for Staying Home or Having a Job Outside the Home, 1974-1982

Question: "Now, if you were free to do either, would you prefer to have a job outside the home, or would you prefer to stay home and take care of your house and family?"

	Women		
	1974*	1980*	1982**
Job outside home	35%	46%	48%
Stay home	60	51	47
DK/NA	5	3	5

*Virginia Slims Poll

**CBS News Poll

Source: The New York Times Women's Survey, November 11-20, 1983.

Table 20

Women's Primary Reason for Working, 1970-1982

Question: "Right now, are you working primarily to support yourself, to support your family, to bring in some extra money, or for something interesting to do?"

	1970*	1974*	1980*	1982**
Support self	23	23	27	31
Support family	18	18	19	29
Extra money	49	48	43	25
Something interesting	9	9	14	13
DK/NA	1	2	1	2

*Virginia Slims Poll

**CBS News Poll

Source: The New York Times Women's Survey, November 11-20, 1983.

Women's Earnings

1. In 1982, women working in full-time jobs had earnings that were, on average 65% of men's, about the same ratio as in 1967.

Full-time women workers have been earning about the same proportion of men's earnings for the last few decades. Since 1967, the earnings gap between men and women full-time workers has persisted at levels between 35% and 40%. (See Figure F.)

Some of the discrepancy in men's and women's earnings can be explained by differences in education, labor force experience and commitment and other human capital factors that contribute to variations in productivity among workers. Part of the gap has also been attributed to the continuing concentration of women workers in low-paying occupations. Discrimination has been alleged to be a contributing factor, although there is much debate on how much of the wage gap this accounts for.[12] (See Figure G.)

2. Women's earnings are closer to men's in some occupations.

Women physicians, dentists and related practitioners earned 81% as much as men in those occupations in 1982. Female sales managers, however, earned only 57% as much as male sales managers. Table 21 (page 34) provides a list of selected occupations and shows how women's earnings compare to men's in those specific jobs.

Women are not typically in the highest paying occupations. High-salaried professional and managerial occupations are still predominantly male. But as younger, highly educated women move into these positions in greater numbers, some labor experts feel that the overall wage gap will diminish.

3. A female college graduate working year-round and full-time in 1982 earned only about $300 more than a man who did not complete his high school education.

Women's wages lag behind men's at all levels of the education hierarchy. Among adults 25 to 34 years old in 1982, the earnings gap ranged from 70% for high school graduates to 80% for those completing only elementary school. Women with graduate degrees earned 74% of men's earnings in 1982. (See Table 22, page 35.)

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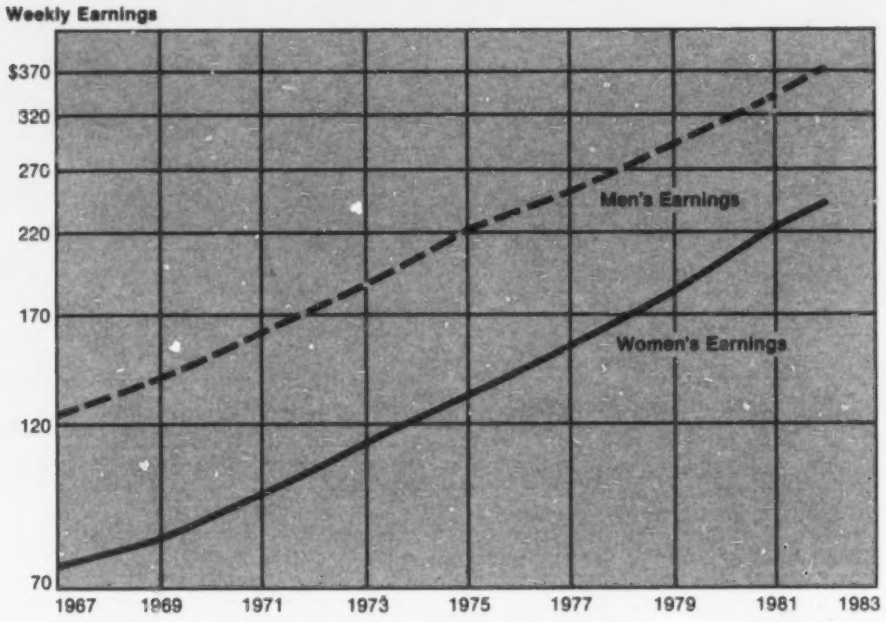
[12] *Donald J. Treiman and Heidi I. Hartmann, Eds.*, Women, Work, and Wages; Equal Pay for Job of Equal Value, *Washington, D.C., 1981, National Academy Press.*

Figure F

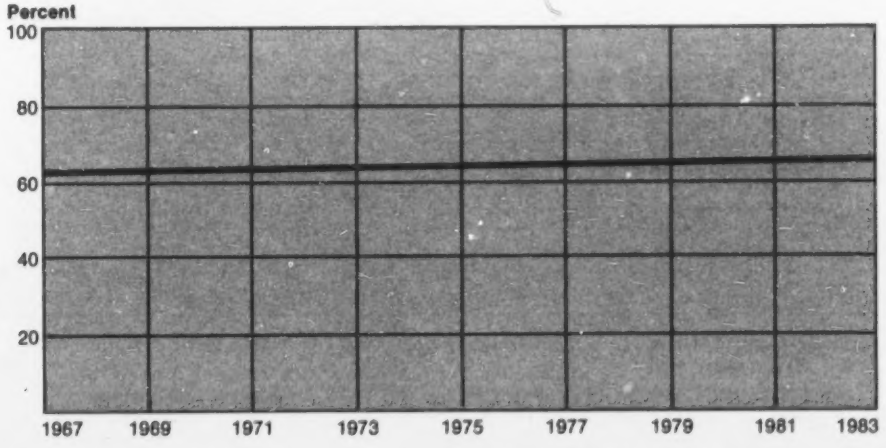
Men's and Women's Weekly Median Earnings, 1967-1982



Source: U.S. Bureau of Labor Statistics, Women at Work: A Chartbook, *April 1983.*

Figure G

Women's Median Earnings as a Proportion of Men's Median Earnings, 1967-1982



Source: U.S. Bureau of Labor Statistics, Women at Work: A Chartbook, *April 1983.*

Table 21

Median Weekly Earnings of Full-Time Wage and Salary Workers In Selected Occupations, by Sex, 1981

	Men	Women	Ratio Female/ Male Earnings
Total	$347	$224	.65
Professional, technical & kindred	439	316	.72
Computer programmers	447	329	.74
Engineers	547	371	.68
Lawyers and judges	579	410	.71
Physicians, dentists, & related practitioners	495	401	.81
Teachers, college & university	485	389	.80
Writers, artists, entertainers	387	302	.78
Managers and administrators, except farm	466	283	.61
Sales managers, retail trade	380	216	.57
Salesworkers	366	190	.82
Insurance agents, brokers and underwriters	402	270	.67
Real estate agents and brokers	390	277	.71
Clerical and kindred	328	220	.67
Craft and kindred	360	239	.67
Operatives, except transport	298	187	.63
Textile operatives	229	186	.81
Transport equipment operatives	307	237	.77
Nonfarm laborers	244	193	.79
Farmworkers	180	146	.81
Service workers, except private household	238	170	.71

Source: Nancy F. Rytina, "Earnings of Men and Women: A Look at Specific Operations," Monthly Labor Review, *April 1982.*

Table 22

Average Earnings of Year-Round, Full-Time Workers 18 Years and Older, by Education and Sex, 1982

	Average Earnings			
	Persons 18 Years and Over		Persons 25-34 Years	
Highest Education Completed	**Men**	**Women**	**Men**	**Women**
Elementary, 8 years	$16,066	$ 9,692	$14,351	*
High school, 1-3 years	17,025	10,357	15,794	$12,703
High school, 4 years	20,480	12,993	18,728	13,019
College, 1-3 years	23,093	14,839	20,574	14,848
College, 4 years	29,547	17,331	24,042	16,988
College, 5 years or more	36,079	21,871	28,093	20,707

**Number of cases too small for computation.*

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-60, No. 142.*

The Changing Family and Women's Finances

1. The number and proportion of married-couple families in which the husband—but not the wife—is an earner have declined appreciably over the past 15 years.

Although the number of husband-wife families rose by nearly 6.4 million between 1967 and 1981, the number in which the husband was the "sole earner" fell by 5.3 million families.[13] In 1981, 14.7 million married-couple families (29.7%) had husbands who were earners and nonearner wives, down from over 20 million (46.4%) in 1967. Dual-earner married couples, however, increased from 43.6% (18.9 million) of all husband-wife families to 51.8% (25.7 million).[14]

Table 23

Earners in Married-Couple Families, 1967-1981

	Number in 1,000s	
	1967	**1981**
Number of married-couple families	43,292	49,669
Husband sole earner	20,068	14,736
Husband and wife both earners	18,887	25,729

Source: U.S. Bureau of Labor Statistics, Handbook of Labor Statistics, *December 1983.*

2. In 1981, 5.9 million wives earned more than their husbands.

Of the 49 million couples in the U.S. civilian population in 1981, 12% were ones in which the wife earned more than the husband. Looking more closely at these families, 1.9 million (4% of the total married couple families) were ones where the wife was the sole earner and 4 million (8%) were dual-earner couples in which the wife's earnings exceeded her husband's.

There are some differences in the characteristics of families with different types of earners. Couples in which the wife is the sole earner are typically ones in their pre-retirement years. The husband may be retired or too ill to work but his wife is still in the labor force. They most likely do not have children at home.

Dual-earner couples where the wife is the primary earner are somewhat younger. The median age of husbands in these families is 40 years, compared to 62 years for couples in which the wife is the sole wage earner. Black couples are more likely than whites or Hispanics to be among those families where the wife earns more than the husband. (See Table 24.)

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[13] *"Sole-earner" husbands refers to husbands with earnings whose wives had no earnings even though others in the family may have contributed to family income. Likewise, "sole-earner" wives are those whose husbands had no earnings, although other family members may have been earners.*

[14] *U.S. Bureau of Labor Statistics,* Handbook of Labor Statistics, *December 1983, Table 58.*

Table 24

Selected Characteristics of Couples in Various Earner-Status Categories, March 1982

	Wife Sole Earner	Dual earner, wife primary	Dual earner, husband primary	Husband Sole Earner
Race (% distribution)				
White	3.7	7.7	44.4	30.3
Black	6.9	12.6	44.4	22.2
Hispanic*	2.0	8.0	42.8	38.3
Median age (years)				
Husband	62	40	39	45
Wife	56	36	36	42
Children (%)				
None present	79.7	55.0	40.2	43.2
Preschoolers present	4.5	20.2	25.7	30.6
Teenagers present	14.5	19.5	28.5	23.9

**Persons of Hispanic origin can be of any race.*

Source: U.S. Bureau of the Census, "Wives Who Earn More Than Their Husbands," Special Demographic Analyses, *CDS-80-9.*

3. Men fare better economically than women and children as the result of the breakup of a marriage.

For many families, divorce can mean a major restructuring of household finances. Several factors contribute to the detrimental impact of divorce or separation on a woman's income. In most cases, the mother is awarded custody of her children. In a 1981 government survey, 59% of divorced and separated mothers reported that they had been awarded child support by the court; but only 48% were scheduled to receive payments during that year; 35% actually received some payments; and only about 23% got the full amount of the award. This picture was about the same as in 1978. (See Table 25, page 38.)

The average amount of child support received by mothers with minor children increased from $1,800 in 1978 to $2,110 in 1981. But when inflation is taken into account, the typical payment actually declined by 16¢.[15]

[15] *U.S. Bureau of the Census, Current Population Reports, Series P-23, No. 124, p. 1.*

Table 25

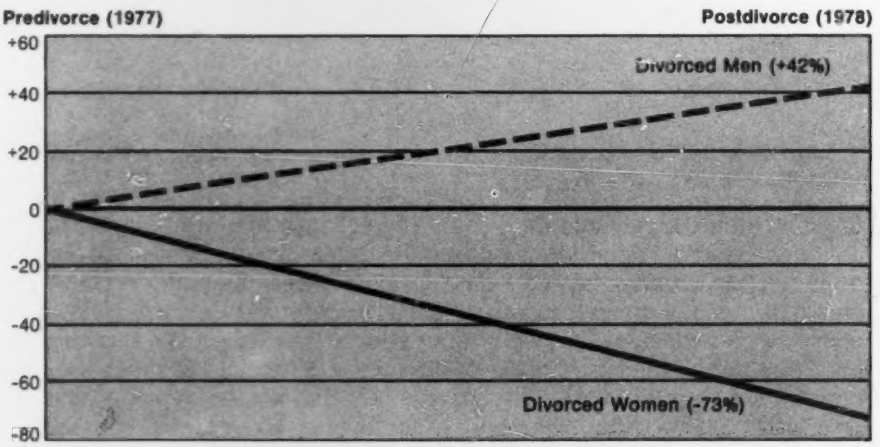
Child-support Awards and Payments, 1978-1981

	1978		1981	
	Number (In 1,000s)	%	Number (In 1,000s)	%
Total women with own children under 21 years present from an absent father	7,094	100.0	8,387	100.0
Awarded child support	4,196	59.1	4,969	59.2
Supposed to receive payments that year	3,424	48.2	4,043	48.2
Actually received payments	2,454	34.5	2,902	34.6
Received full amount	1,675	23.6	1,888	22.5

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-23, No. 124.*

Figure H

Percent Change In Standard of Living of Divorced Men and Women In California, 1977-1978



Note: Based on weighted sample of interviews with divorced persons approximately one year after legal divorce, Los Angeles county, 1978. Income in relation to needs with needs based on U.S. Department of Agriculture's low standard budget.

Source: Lenore J. Weitzman, "The Economics of Divorce: Social and Economic Consequences of Property, Alimony and Child Support Awards," UCLA Law Review, *Vol. 28, August 1981. © by Lenore J. Weitzman. Reprinted by permission. Originally published in* 28 UCLA L. Rev. 1181. *Copyright 1981, The Regents of the University of California. All Rights Reserved.*

Several studies of divorced couples have concluded that after a divorce, men experience an improvement in their standard of living while women experience a loss. Figure H shows the dramatic decline in the standard of living of a group of women in Los Angeles County one year after their 1977 divorce. On average, these women suffered a 73% drop in their standard of living while men experienced a 42% improvement. Household income typically declined for both men and women after breakup of the marriage. After a divorced person's income needs are adjusted for changes in household size and for household members' age and sex, a man's purchasing power was better as a result of the divorce while a woman's was much worse.

4. Only about 1 out of 5 widows in a 1980 study of insurance claimants reported that her standard of living worsened after her husband's death.

In 1980, the American Council of Life Insurance and the Life Insurance Marketing and Research Association conducted a joint study of insurance claimants. The study concluded that most often a widow's standard of living was about the same after the death of her husband as it was while he was living. Widows whose husbands died before age 65 were more likely than widows whose husbands died at the age of 65 or older to say that their standard of living worsened.

Table 26

Changes in Widows' Standards of Living Since Their Husbands' Deaths, 1980

	All widows	Premature* widows	Mature** widows
Improved	6%	10%	1%
Stayed about the same	74	64	80
Worsened	18	24	17
Don't know	2	2	2
Total	100	100	100

** Husband's death occurring at ages 64 and younger.*

*** Husband's death occurring at ages 65 and over.*

Source: Life Insurance Research and Marketing Association and American Council of Life Insurance.

5. The majority of adults living in poverty are women.

Gender, age and race are crucial determinants of poverty. In 1982, women comprised 52% of the U.S. population 15 years and over but made up 61% of the poor population of that age group. One-quarter of the 22.8 million poor people 15 years and older are women who are widowed, divorced or separated—5.9 million.

Except at younger ages, females are more likely to live in poverty than males. At all age levels over 17 years—for whites and minorities alike—women had a poverty rate above that for men. Black and Hispanic females are particularly vulnerable. In 1982, for example, nearly 4 out of every 10 Black females and 3 out of every 10 females of Spanish origin were poor, compared to just over 1 in 10 white females. Among the Hispanic population, whites and blacks, older women and children have higher chances of living in poverty than the rest of the population. (See Table 27.)

Table 27

Persons in Poverty 15 Years and Older by Selected Characteristics and Sex, 1982

	Poverty Rate	Percent of all Poor 15 Years and Over
Women, 15 Years and Older	14.9	60.8
Married, spouse present	7.6	18.1
Widowed, divorced, separated	27.8	25.8
65 Years and Older	17.5	11.7
Men, 15 Years and Older	10.5	39.2
Married, spouse present	7.6	16.9
Widowed, divorced, separated	15.9	6.1
65 Years and Older	10.4	4.8

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-60, No. 144.*

Table 28

Poverty Rate of Men and Women, by Age, Race and Spanish Origin, 1982

Age	Whites		Blacks		Spanish Origin	
	Men	Women	Men	Women	Men	Women
Under 15 years	17.8%	17.5%	48.3%	49.0%	40.4%	39.2%
15-17	14.2	14.1	43.7	41.0	38.9	35.5
18-21	10.8	14.6	33.2	41.2	26.6	30.5
22-24	10.7	12.9	23.0	40.8	22.7	28.6
25-34	8.6	12.0	18.3	33.1	21.2	27.6
35-44	8.0	10.4	16.2	33.7	18.8	27.2
45-54	7.1	8.6	15.4	27.1	16.0	21.6
55-59	6.1	9.4	26.3	33.4	16.8	21.9
60-64	7.8	11.2	17.1	34.5	16.2	24.2
65 and over	8.3	15.1	31.8	42.4	19.7	31.4
All persons, 15 years and over	10.8	13.2	31.4	39.3	28.5	31.3

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-60, No. 144.*

6. Women who maintain families are more likely to face economic hardships than women in other types of family situations.

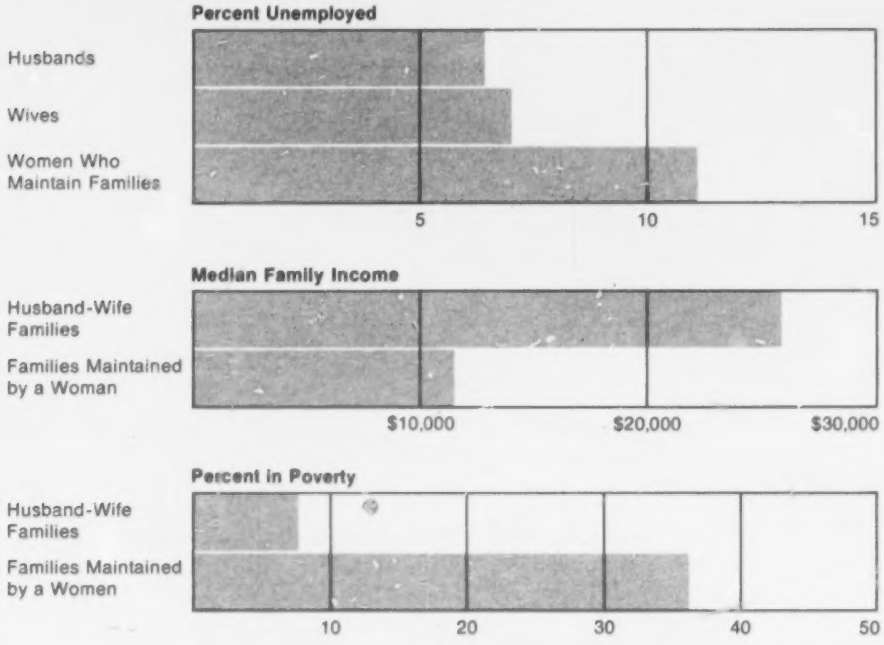
Family type is also an important factor in determining poverty status. When compared with men and women who are married, women who maintain families are much worse off financially. One indicator of economic well-being is the unemployment level. For women who maintained families in 1982, the unemployment rate was 11.1% compared with 6.4% for husbands and 7.1% for wives. The differences in family income are striking. The median family income for families maintained by women in 1982 was $11,484, less than half the median income of husband-wife families ($26,019).

Perhaps the most dramatic differences in the economic well-being of these two family types is illustrated by the poverty rate. Families maintained by women are nearly 5 times as likely to be in poverty than married-couple families. Fewer than 1 in 10 (7.6%) of husband-wife families had incomes below the poverty level in 1982, compared with more than 1 in 3 (36.3%) of U.S. families maintained by a woman. Of all families below the poverty threshold, 46% were maintained by a woman in 1982.[16] (See Figure I, page 42.)

[16] *In 1982, the poverty threshold for a family of 4 was $9,862.*

Figure I

Unemployment, Income, and Poverty Status of Families by Type of Family, 1982



Source: U.S. Bureau of the Census, Current Population Reports, *Series P-60, No. 140.*

Attitudes Toward Finances

1. In 1982, more women said they were "very well informed" about financial matters than they did in 1976.

In 1982, 22% of American women believed they were "very well informed" about financial matters, an increase from 17% in 1976. Improved knowledge about financial matters was reported by men in 1982, as well. Twenty-four percent of men said they were "very well informed" in 1982 compared to 16% in 1976.

Table 29

Self-Assessment of Knowledge About Financial Matters, 1976-1982

Question: "In general, how well informed are you about financial matters? Would you say you are . . . very well informed, fairly well informed, not too well informed, or not at all informed?"

	Women		Men	
	1976	1982	1976	1982
Very well informed	17%	22%	16%	24%
Fairly well informed	49	49	58	48
Not too well informed	28	24	21	22
Not at all informed	5	5	4	5

Source: American Council of Life Insurance.

2. Women feel less secure than men about their financial future.

A slightly lower proportion of American men and women felt secure about their financial future in 1981 than they did in 1976. The economic recession of 1980 may have dampened the public's view at the time of the 1981 survey, sponsored by the American Council of Life Insurance. In 1981, 67% of men in a national survey said that they were "very" or "somewhat secure" about their financial future, down from 73% in 1976. The decline in security for women was similar to that for men, but women were less secure about their finances than men in both years. (See Table 30, page 44.)

3. A plurality of women and men would be willing to take some financial risks with their investments.

About 4 of every 10 women in 1983 American Council of Life Insurance survey agreed that they are "willing to take some risks for a chance to realize greater financial gains from investments." A greater proportion of men—almost 5 in 10—said they are willing to take some financial risks. (See Table 31, page 44.)

Table 30

Security of Financial Future, 1976 and 1981

Question: "Looking ahead for a moment, do you feel . . . very secure about your financial future, somewhat secure, somewhat insecure, or very insecure?"

	Women		Men	
	1976	1981	1976	1981
Very secure	17%	13%	20%	18%
Somewhat secure	46	45	53	49
Somewhat insecure	27	28	21	23
Very insecure	11	14	8	10

Source: American Council of Life Insurance.

Table 31

Willingness to Take Financial Risk, 1983

Question: "I am willing to take some risks for a chance to realize financial gains for investments."

	Men	Women
Agree	48%	38%
No strong opinion	30	34
Disagree	21	27
No answer	*	*
Total	100	100

**Less than 1%.*

Source: American Council of Life Insurance.

At the same time that a good number of men and women say they are willing to take some financial risks, they also look for the security of a government-insured savings account. Over 2 in 3 women and men agreed that "it is very important to me to have my savings insured by the government." Only 14% of men and 12% of women did not feel it was important to have government-insured savings. The others had no strong opinion. (See Table 32.)

Table 32

Attitude Toward Government-Insured Savings, 1983

Question: "It is very important to me to have my savings insured by the government."

	Men	Women
Agree	67%	68%
No strong opinion	18	20
Disagree	14	12
No answer	*	*
Total	100	100

**Less than 1%.*

Source: American Council of Life Insurance.

4. Professional advice is sought by a strong majority of women before making a variety of financial decisions.

A significant number of women (from 63% to 69%) say they seek "a great deal" or "some" advice from a professional before buying insurance, filing taxes, or making investments. Women are more likely than men to seek such professional advice. Women are particularly more apt to get investment advice—69% of women but only 58% of men say they generally seek at least some advice from a professional when deciding how best to invest their money.

Table 33

Attitude Toward Seeking Professional Advice For Selected Services, 1983

Question: "When making financial decisions, some people seek advice from professionals to help them make the right choices; others do not. For each of the decisions listed on this card, please tell me how much advice you generally seek."

	Men	Women
Filing your taxes	66%	69%
Buying life insurance	63	65
Deciding how best to invest your money	58	69
Buying automobile insurance	53	63

Source: American Council of Life Insurance.

5. *When shopping for financial products, more women than men compare prices.*

More than 6 of every 10 (61%) women agreed that they spend a good deal of time comparing prices when shopping for financial products. Among men, 5 in 10 (52%) are comparison shoppers of financial products. (See Table 34.)

Although comparing prices for financial products is quite important to women, a majority of women (51%) feel that quality investment advice is a more important consideration than low price. Men are slightly less inclined to prefer quality investment advice over price (46%). (See Table 35.)

Table 34

Financial Services Price Comparison Behavior, 1983

Question: "When shopping for financial products, I usually spend a good deal of time comparing prices."

	Men	Women
Agree	52%	61%
No strong opinion	29	24
Disagree	19	14
No answer	*	*
Total	100	100

*Less than 1%.

Source: American Council of Life Insurance.

Table 35

Attitude Toward High Quality Investment Advice vs. Low Price, 1983

Question: "Getting high quality investment advice is more important than getting a low price."

	Men	Women
Agree	46%	51%
No strong opinion	38	37
Disagree	16	12
Total	100	100

Source: American Council of Life Insurance.

Some Implications for Life Insurance Companies

"Women's changing social and economic status indicates that although favorable conditions exist for selling women life insurance, they remain a market neglected by many companies."—DataTrack No. 1, "Women," Summer 1974.

Since the first *DataTrack* report on women was published in 1974, life insurance sales to women have grown substantially. Obviously many life insurance companies have taken advantage of the many opportunities in the "women's market." Statistics on life insurance purchases are reflecting changes in attitudes toward selling life insurance to women and changes in marketing and sales strategies.

The following questions and implications are designed to stimulate further discussion among life insurance company executives about the opportunities generated by the increasing financial independence of many women in America today.

- While selling life insurance to men has been more lucrative business than sales to women in the past, companies and agents may find a greater potential for growth and less competition over the next few years in the women's market.
- The so-called "women's market" represents women with a wide range of educational backgrounds, financial situations, family ties, and workforce intentions. In marketing certain types of financial products such as pensions and annuities, companies may seek a further segmentation of the women's market. The key to designing products and services may be found in segmenting women by such characteristics as workforce participation, stage of life cycle, and presence of children.
- Are the growing numbers of women in business for themselves a neglected market for financial planning services as well as insurance products?
- More women in business and in professional and managerial positions may lead to greater opportunities for agents to make insurance contacts at women's places of work.
- Do companies educate and promote the increasing sales potential of the women's market to their agents? Is the information that is offered to agency staff up to date? Are suggestions made on new strategies for effective marketing to women?
- The great influx of women with small children into the labor force over the past decade highlights the need for disability insurance among women. This is especially important as more and more women are supporting families on their own.
- Today women have a greater financial responsibility to their family(ies) than ever before whether they are sole earners or part of a dual-earner couple. Financial and estate planning for women are more important than ever before.

- Retirement planning for women will become more imperative in the years ahead. A growing gap between men's and women's life expectancy and high divorce rates point to an ever-longer time period that more and more women will be living alone in their older years. Life insurance companies may want to put a greater emphasis on retirement planning and on products and services that focus on women's financial needs during retirement.
- Women's attitudes toward finances are similar to men's on some counts and different on others. How are these differences and similarities playing a part in life insurance companies' advertising and marketing strategies?
- Council research has shown that, although women are less likely than men to want to take investment risks, there is a significant proportion of women who are not adverse to risk taking with their financial investments. Furthermore, women are more likely than men to look to professionals for investment advice. Who will these women turn to for help with their investment strategies? Financial planner? Banker? Stockbroker? Insurance agent?
- The growing financial independence of many women may lead to a greater desire for the accumulation of assets in a woman's own name, rather than jointly with her husband.
- In a 1983 Council survey of Baby Boomers, 3 out of 4 women—and men—indicated their strong preference for an "equal marriage" of shared responsibility in which both spouses cooperate on work, homemaking and childraising. Traditionally, the husband has been the primary financial decision maker in many families. The desire for an "equal marriage" among young families and the increasing economic role of wives may lead to greater participation by wives in all financial decisions affecting the family. Companies and agents will face an increasing demand to address the financial concerns of both husbands and wives in sales literature and presentations.

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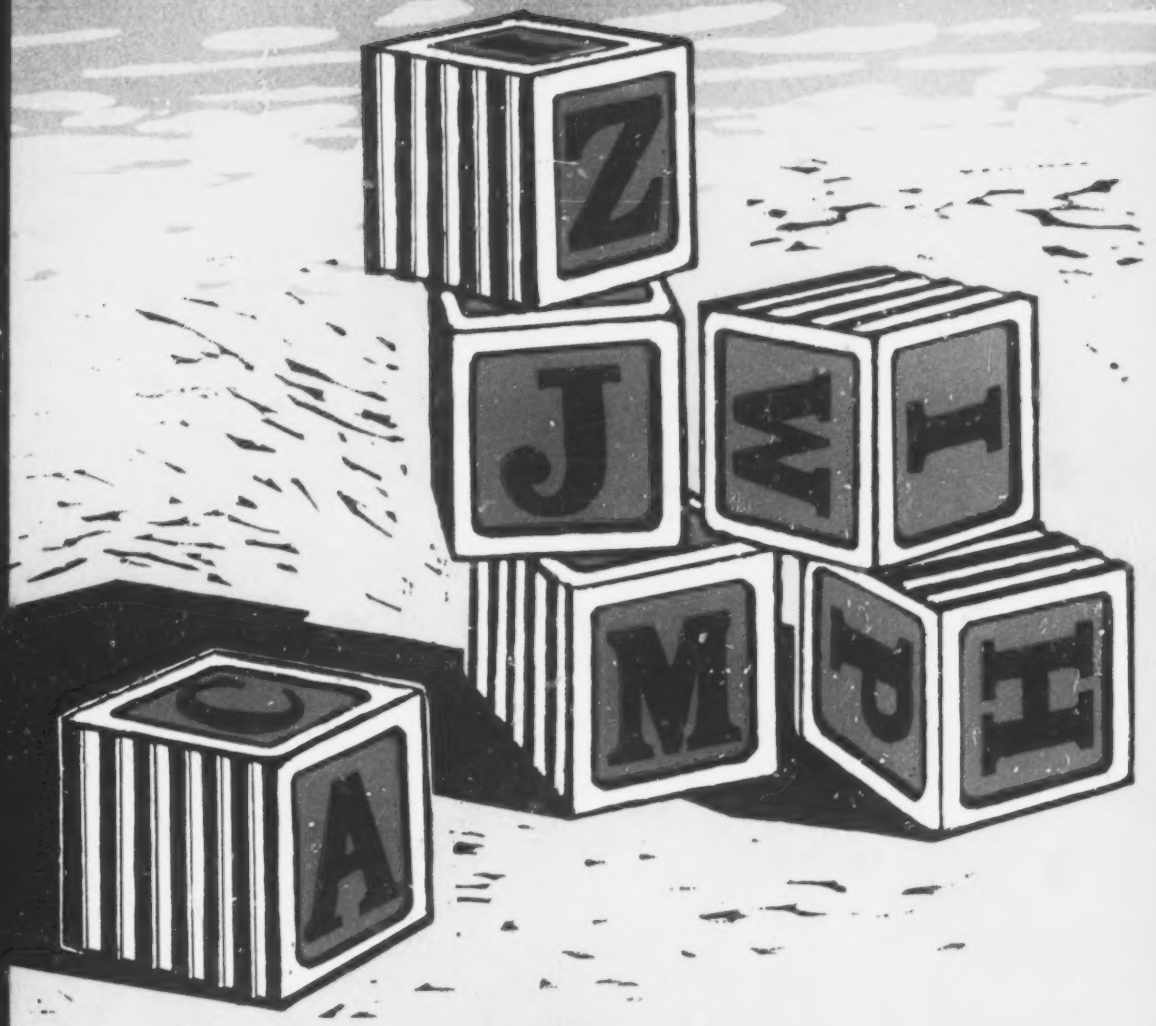
DataTrack 14

Fourteenth in a series of reports which compile and interpret statistical information of direct concern to life insurance executives

American Council of Life Insurance
December 1984



Children

DataTrack 14

Children

Children today are growing up in an environment quite different than children of just a decade or so ago. More have mothers who work for pay; more younger children are being cared for during the day outside their own homes by people who are not relatives; more will have their families disrupted by divorce or separation; more are finding new family members like stepsisters, stepfathers or stepgrandparents to relate to; more have parents who waited until their 30's to give birth; and more are a part of small families, perhaps with no siblings at all. *DataTrack 14* looks at these changing situations and other trends involving America's children over the past few decades.

"Children" is the latest in the series of reports by the American Council of Life Insurance on demographic topics of interest to life insurance executives. Each study compiles data from a variety of sources—mainly government—on issues that will have an impact on society and on the future of the life insurance business. *DataTrack* can be useful in the design of new products and services to meet changing consumer needs, the selection of new markets and marketing strategies, the formulation of new advertising, the long-range planning of corporate strategies, planning for changes in human resources, and for public relations in general.

Cover illustration by Stuart Armstrong

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Highlights

Number of Children and Fertility Rates

- The U.S. population under 18 years of age fell during the 1970s but is expected to rise between 1980 and the end of the century.
- The number of births in 1982—3.7 million—was the largest since 1970. The Census Bureau projects a continued increase in the number of births to a high of a little more than 3.8 million in 1990.
- Births to unmarried women and girls have been on the rise since 1975, especially among whites.

Family Ties

- Families with children are a shrinking proportion of all U.S. households. In 1970, 45.3% of all households consisted of families with children under 18 years of age; by 1983, that proportion had fallen to 36.7%.
- Between 1970 and 1983, the proportion of children living with one parent almost doubled from 12% to nearly 23%. Their numbers rose from 8.2 million to 14.0 million, even though the total number of children in the U.S. declined during the same period by 10%.
- Children in one-parent families today are more likely than in the past to have divorced parents or parents who never married and less likely to have a widowed parent.
- In 1984, 6 of every 10 women with children under 18 years of age were in the labor force, up from 4 in 10 in 1970. Most dramatic was the rise in the labor force participation rate for married women with children under the age of 3—from 26% in 1970 to 48% in 1984.
- Over 48% of American children under the age of 6 (9.3 million) had mothers in the work force in March 1984, compared with 38% in 1977.
- There is a growing trend away from child care in the home of mothers who have full-time jobs to child care in another person's home or in group care facilities.

Education

- Between 1966 and 1982, the number of 3-to-5-year-olds enrolled in nursery or kindergarten programs rose 39% despite a 21% drop in the total number of children of that age. In 1982, over one-half (5.1 million) youngsters aged 3 to 5 years were in preprimary school programs compared with 29% in 1966.
- School enrollment rates among high school-age youths have shown a noticeable increase over the past two decades, especially among blacks. The high school dropout rate declined for blacks in all age groups during the 1970s.
- Growing proportions of high school students anticipate studying business and commerce in college. Nearly 1 in 5 college-bound high school seniors want to focus on business and commerce areas of study.

Economic Conditions

- Children in families maintained by a woman are 10 times as likely as children in two-parent families to have family incomes under $5,000 a year. And over one-half of all children in married-couple families have family incomes of $25,000 or more compared to only 7% of children living in families maintained by a woman.
- Some 46% of all black children under the age of 18 were living in families with incomes below the poverty level in 1983, compared with nearly 38% of Hispanic children and 17% of white children.
- One in 9 children in the U.S. receives some assistance from the Aid to Families with Dependent Children (AFDC) program.
- A typical middle income family with two children and a mother who works part-time will spend $98,000 (in 1981 dollars) to raise a child and send her or him to a four-year public college.

Children in Trouble

- The suicide rate for teenagers aged 15 to 19 has more than doubled over the past two decades, from 3.6 per 100,000 population in 1960 to 8.5 per 100,000 in 1980.
- More than 1 in 4 teens is a current user of alcohol and over 1 in 10 currently uses marijuana. Smoking among teenagers has declined and there is some indication that frequent use of marijuana is on the downswing.
- In 1982, there were 929,310 official reports of child maltreatment in the U.S., representing an estimated 1.3 million children.
- In more than 6 of every 10 cases (62%) reported to officials, maltreatment of children involved deprivation of basic necessities. Minor physical injuries (17%) and emotional maltreatment (10%) followed in order of frequency. Additionally, 7% were sexual abuse cases, with adoptive/foster and step parents being disproportionately represented among the sexual abusers.

Attitudes

- The concern among teenagers about war and nuclear disaster has grown markedly over the past decade.
- Close to one-half (46%) of the students in a 1983 survey named drugs as the worst influence on young people. Next on the list—but far behind drugs—was alcohol (10.9%) and then peer pressure (9.3%).
- When queried about the one thing they want out of life, "career success" was the one answer mentioned most frequently by students in 1983 (27.6%). "Happiness" (25.7%) and "marriage/family" (20.8%) followed closely in second and third place.
- A computer-related career was the most popular career choice of students in 1983—by boys and girls alike. Engineering was the second choice of boys and nonmanagement business careers were number two for girls.

Number of Children and Fertility Rates

1. The total number of children under 18 years of age fell during the 1970s but is expected to rise between 1980 and the end of the century.

Between 1960 and 1970, the number of children rose by 5.2 million (8.1%) despite a decline in birth rates. The increase occurred because most of the members of the post-World War II Baby Boom were still under 18 years of age during that decade. As the last wave of Baby Boomers became teenagers in the 1970s, the number of youths declined by 6.1 million (8.7%), reflecting the low birth rate years known as the Baby Bust.

The Census Bureau projects an overall increase in the number of children in the 1980s, (particularly those 5 years and under) with a larger gain in the total number of children in the 1990s.

There will be about the same number of teenagers 12 to 17 years of age at the end of the 20th century as there are today. They numbered 23.3 million in 1980 and will be 23.2 million in the year 2000, according to the Middle Series Projections of the Census Bureau. The ranks of teens will shrink by 16.3% during the 1980s—the result of the Baby Bust—but will increase 18.9% during the last decade of the century.

The count of children ages 6 through 11 will increase slightly through the 1980s and 1990s. Numbering some 20.7 million in 1980, the population aged 6 through 11 will grow to almost 23 million by the year 2000. The number of preschool-age children and infants is expected to fluctuate, from

Table 1

Age of Children in Total U.S. Population, 1960-1980 and Projections to 2000

	Age			
Year	**5 years and under**	**6-11 years**	**12-17 years**	**Total**
Numbers in millions				
1960	24.3	21.8	18.4	64.5
1970	20.9	24.5	24.3	69.7
1980	19.6	20.7	23.3	63.6
1990*	23.0	21.8	19.5	64.3
2000*	21.3	22.9	23.2	67.4
Percent change				
1960-1970	-14.0	+12.4	+32.1	+ 8.1
1970-1980	- 6.2	-15.5	- 4.1	- 8.7
1980-1990	+17.3	+ 5.3	-16.3	+ 1.0
1990-2000	- 7.4	+ 5.0	+18.9	+ 4.8

**Middle Series Projections, as of July 1.*

Note: Items may not add to totals due to rounding.

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-25, Nos. 519, 929 and 952.*

19.6 million in 1980 to 23 million by 1990—a 17% increase. But the number of these young children is expected to drop again to 21.3 million in the year 2000.

2. The number of births in 1982 was the highest since 1970.

In 1982, an estimated 3.7 million babies were born in the U.S., the largest number since 1970. The number of births increased each year between 1975 and 1982, reflecting the growing number of women of childbearing age during that time.

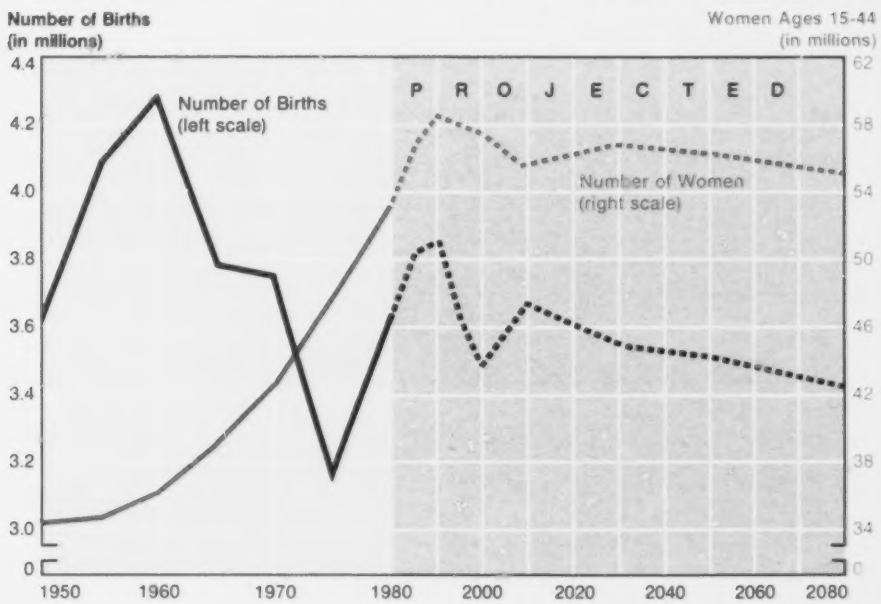
Although the estimated number of births in 1983 was below the 1982 level, most demographers would agree that it is too soon to predict the end of the upturn in births. It is unlikely, however, that this recent "baby boomlet" will reach the proportions of the post-war Baby Boom, which peaked in 1957 at a record 4.3 million babies.

The number of women of childbearing age (15 to 44 years) will continue to increase during the 1980s from 54.6 million in 1982 to a high of 58.2 million in 1990. Then, over the next two decades, there will be a decline in the number of women of childbearing age.

The Census Bureau projects a continued rise in the number of births—corresponding to the rise in the number of women in their childbearing years—to a high of a little more than 3.8 million babies in 1990.

Figure A

Number of Births and Women of Childbearing Age, 1950-2080



Note: Middle series projections.

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-25, No. 952.*

3. *Births to unmarried women and girls have been on the rise since 1975, with all of the increase attributable to whites.*

The number of births to unmarried women and girls rose from 24.5 per 1,000 women and girls aged 15 to 44 in 1975 to 29.6 per 1,000 in 1981. Between 1975 and 1981, the rates for white women and girls in all age categories shown in Table 2 rose, while those for almost all ages of black women and girls fell.

Among white unmarried teenage girls 15 to 19 years old, the fertility rate increased from 10.9 per 1,000 in 1970 to 17.1 per 1,000 in 1981. Among Black unmarried teenagers, the rate declined from 96.9 per 1,000 to 86.8 during the same time. Although the gap between the fertility rates of unmarried teenaged blacks and whites is narrowing somewhat, in 1981 the fertility rate of black teens was over 5 times the rate of whites.

In 1981, 19% of all births in the U.S. were to unmarried women. The racial differences are striking: over one-half of all black infants born in 1981 had unmarried mothers, compared with 12% of all white babies.[1] According to recent estimates from the New York City Department of Health's central Harlem health district, nearly 8 in 10 babies born in that district in 1983 were out of wedlock births.[2]

Table 2

Birth Rates for Unmarried Women, by Age of Mother and Race of Child, 1970-1981

Live Births to Unmarried Women per 1,000 Unmarried Women

	White			Black		
Age	**1970**	**1975**	**1981***	**1970**	**1975**	**1981***
15-19	10.9	12.0	17.1	96.9	93.5	86.8
20-24	22.5	15.5	24.9	131.5	108.0	112.5
25-29	21.1	14.8	21.6	100.9	75.7	86.4
30-34	14.2	9.8	13.6	71.8	50.0	47.2
35-39	7.6	5.4	6.9	32.9	20.5	20.4
40-44	2.0	1.5	1.8	10.4	7.2	5.8
All women, 15-44	13.8	12.4	18.2	95.5	84.2	81.4

**1981 data not directly comparable to earlier years due to changes in methods used to compile data.*
Source: U.S. National Center for Health Statistics, Monthly Vital Statistics Report, *Vol. 32, No. 9, Supplement.*

[1] *U.S. National Center for Health Statistics,* Monthly Vital Statistics Report, *Vol. 32, No. 9 Supplement.*
[2] *"Out of Wedlock Births,"* New York Times, *August 13, 1984.*

Family Ties

1. Families with children are a shrinking proportion of all U.S. households.

In 1970, 45.3% of all households consisted of families with children under 18 years of age. By 1983, that proportion had fallen to 36.7%. The drop is attributed to the significant decrease in married-couple households with children—from 40% of all households in 1970 to 29% in 1983—and to the growth in nonfamily households (those with people living alone or with nonrelatives).

Table 3

Households, by Presence of Children and Household Type, 1970-1983

	1970	1983
Total number of households (in thousands)	63,401	83,918
Percent of households		
Family households	81.2	73.2
Married-couple, no children	30.3	30.4
Married-couple, children under 18 years	40.3	29.0
Female householder, children under 18 years	4.5	6.8
Male householder, children under 18 years	0.5	0.9
Male or female householder, no children	5.6	6.0
Nonfamily households	18.8	26.8

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-20, Nos. 371 and 388.*

2. The proportion of families with three or more children has been declining over the past few decades, while the share of families with one child or no children living at home has been on the rise.

The proportion of families with three or more children was cut nearly in half between 1960 and 1983, from 20.5% to 10.6% of all families. The number of families with no children under 18 years present in the home made up 43.1% of all families in 1960, increasing to nearly one-half (49.8%) by 1983. The number of families with only one child living at home grew slightly from 18.4% to 20.9% of all families during the same period.

Table 4

Number of Children in Families, 1960-1983

	Percent Distribution		
Own children under 18*	**1960**	**1970**	**1983**
None	43.1	44.1	49.8
One	18.4	18.2	20.9
Two	18.0	17.4	18.7
Three	11.1	10.6	7.3
Four	9.4	5.4	2.3
Five		2.4	0.7
Six or more		2.0	0.3
Total	100.0	100.0	100.0

**Sons and daughters, including stepchildren and adopted children, of the householder.*

Note: Items may not total 100% due to rounding.

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-20, Nos. 106, 218, 388.*

3. In 1983, 3 of every 4 children under the age of 18 were living in two-parent families.[3]

The number and proportion of all children living with two parents have been declining. In 1970, 85% of American children—58.9 million—were in two-parent families; by 1983 the figure had dropped to 75%, or 46.6 million.

Between 1970 and 1983, the proportion of children living with one parent almost doubled from 12% to nearly 23%. Their numbers rose from 8.2 million to 14.0 million, even though the total number of children declined during the same period by 10%.

There has been a dramatic shift in the marital status of parents in one-parent families over the past decade. The proportion of children living with a parent who is divorced or single (never married) increased while the percentage of children with a widowed or separated parent declined, as seen in Table 5. In 1970, the largest number of children in one-parent families (43%) was in those families in which the parent was married but not living with his or her spouse. By 1983, more children in one-parent families were with a divorced parent than with a parent of any other marital status. The number of children living with a parent who has never married rose from about 7% of all children in one-parent families to nearly one-quarter of all such children in 1983 (24%).

[3] *Census Bureau surveys do not differentiate between biological parents and nonbiological parents.*

Table 5

Living Arrangements of Children Under 18 Years, 1970-1983

	1970	1983
All Children Under 18		
Total (in thousands)	69,162	62,281
Percent living with:		
Two parents*	85.2	74.9
One parent	11.9	22.5
Mother only	10.8	20.5
Father only	1.1	2.0
Other relatives only	2.2	2.2
Nonrelatives only	0.7	0.5
Children Living with One Parent		
Total (in thousands)	8,199	14,006
Marital Status of Parent (Percent):		
Divorced	30.2	41.6
Married, spouse absent	42.9	25.9
Widowed	20.1	8.4
Never married	6.8	24.1

*Not necessarily natural parents.

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-20, No. 389.*

4. The majority of black children live in one-parent families.

Living arrangements of children vary considerably by race. In 1983, 4 out of every 10 black children lived in two-parent families; in comparison, twice that proportion of white children (81%) were in two-parent families. Compared with 1970, the percentage of children living with two parents was lower in 1983 for both blacks and whites, as seen in Figure B.

If the current rate of divorce persists, about one-half of all children will spend some time in single-parent families before they reach age 18.[4]

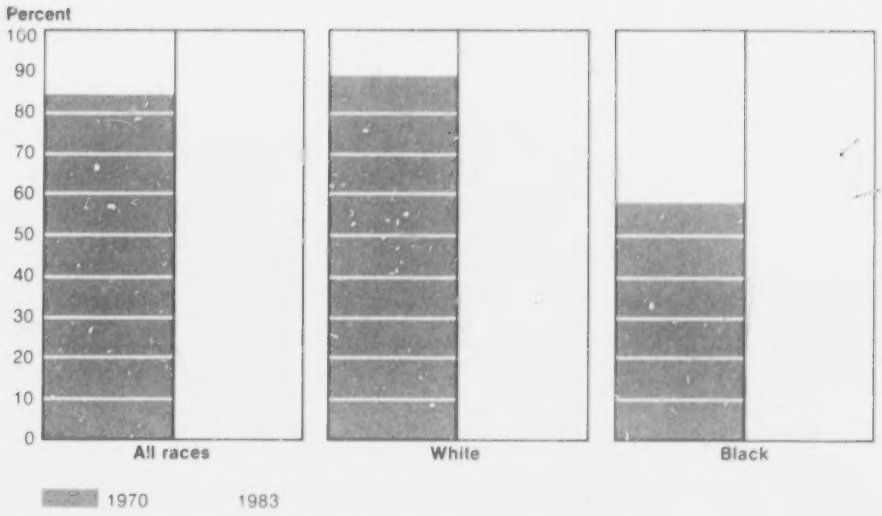
5. An estimated 6 of 10 children live with both biological parents.

In 1982, 63% of children under the age of 18 were living with both biological parents. Two out of 10 were with their mother only, and 1 in 10 lived with one of their natural parents and a stepparent. The remaining 7% resided with their father only, adoptive parents, other relatives, foster parents, nonrelatives or in institutions (see Table 6).

[4] *ACLI, TAP 22, "The Shape of the American Family in the Year 2000."*

Figure B

Percent of Persons Under 18 Years Old Living With Both Parents, 1970 and 1983



Note: Excludes householders, and wives of householders in families or subfamilies.
Source: U.S. Bureau of the Census, Current Population Reports, *Series P-23, No. 114 and P-20, No. 389.*

Table 6

Family Living Arrangements of Children Under 18 Years of Age, 1982

Child lives with:	Number (in millions)	Percentage of All Children
Both biological parents	39.3	63%
Mother only	12.5	20
Father only	1.2	2
One biological parent and one stepparent	6.2	10
Two adoptive parents	1.2	2
Grandparents or other relatives	1.6	2
Foster parents, other non-relatives, or in institution	0.4	1
Total	62.4	100%

Source: U.S. House of Representatives, Select Committee on Children, Youth, and Families, U.S. Children and Their Families: Current Conditions and Recent Trends, *May 1983.*

6. *In 1984, 6 of every 10 women with children under 18 years of age were in the labor force, up from 4 in 10 in 1970.*

The changes in the labor force participation of women with children over the past decade and a half have been quite notable. Most of the increases have taken place among women who are married, as opposed to divorced women who have always been more likely than other women to be working outside the home. The major changes in the labor force rates of married women with children of various ages are shown in Table 7. Most dramatic is the rise in the labor force participation rate for married women with children under 3 years of age—from about 26% in 1970 to slightly over 48% in March of 1984.

Table 7

Labor Force Participation Rates of Women by Selected Marital Status and Age of Children, 1970 and 1984

	1970	1984
All women	40.8	53.2
With children under 18 years old	42.1	60.5
With children under 6 years old	32.3	52.1
With children under 3 years old	27.3	47.7
Married, husband present	40.9	52.8
With children under 18 years old	39.9	58.8
With children under 6 years old	30.5	47.8
With children under 3 years old	25.9	48.3
Divorced	73.0	74.3
With children under 18 years old	75.6	79.3
With children under 6 years old	63.3	67.9
With children under 3 years old	52.1	55.5

Source: U.S. Bureau of Labor Statistics, News, No. 84-321, July 26, 1984.

7. *Over 48% of all American children under the age of 6 years (9.3 million) had mothers in the work force as of March 1984, compared with 38% in 1977.*

In March of 1984, more children had mothers who were in the labor force than any time in the past—32.7 million. This represents 56% of all children under the age of 18 years in American families. And the growth continued despite the fact that the number of children under 18 years of age declined by 2.5 million between 1977 and 1984.

Of the nearly 46 million children ages 17 or younger who were in married-couple families in 1984, 54% (about 25 million) were in dual-earner families, while 42% had only one parent in the work force. This situation represents a reversal of that in 1977, when a majority of children in two-parent families (52.7%) had one parent working outside the home.

Children in single-parent families headed by men were more likely than those in single-parent families led by women to have their parent in the labor force in 1984.

Table 8

Children by Family Type and Labor Force Participation Status of Parents, 1977 and 1984

	March 1977		March 1984	
Children (numbers in 1,000's)	**Under 18 Years**	**Under 6 Years**	**Under 18 Years**	**Under 6 Years**
Number of children	60,584	17,117	58,096	19,358
Number in married-couple families	50,279	14,780	45,991	15,964
% with both parents in labor force*	44.8	35.7	54.3	47.9
% with one parent in labor force*	52.7	62.9	41.9	48.3
Number in families maintained by women, no husband present	9,499	2,233	10,678	3,027
% with mother in labor force*	58.4	45.7	63.6	50.3
Number in families maintained by men, no wife present	807	104	1,226	367
% with father in labor force*	(NA)	(NA)	84.5	80.4

*Or Armed Forces.

Source: U.S. Bureau of Labor Statistics, News, *Release 84-321 and "Children of Working Mothers, March 1977,"* Special Labor Force Report *217.*

8. *More full-time working mothers are opting for group day care arrangements for their children.*

In 1958, the most common type of child care arrangement for children of full-time working mothers was care in the child's home (56.6%), with the father (14.7%) or another relative (27.7%) as the primary caretaker. By 1977, the most typical situation was child care in another home (47.4%) with a nonrelative (26.6%) or a relative (20.8%) as the caregiver. Only about 29% of the children in 1977 were taken care of in their home, compared with over one-half in 1958. Group care centers have gained in popularity, and were the day care arrangement for 14.6% of children with full-time working mothers in 1977, up from 4.5% in 1958 (see Table 9).

Table 9

Child Care Arrangements for Children Under 6 Years Old with Full-Time Employed Mothers, 1958 and 1977

	1958	1977
Number of children under 6 years*	2,039	2,669
Percent	100.0	100.0
Care in child's home	56.6	28.6
By father	14.7	10.6
By other relative	27.7	11.4
By nonrelative	14.2	6.6
Care in another home	27.1	47.4
By relative	14.5	20.8
By nonrelative	12.7	26.6
Group care center	4.5	14.6
Child cares for self	0.6	0.3
Mother cares for child while working	11.2	8.2
Other arrangements		0.8

**1977 data are for two youngest children under 5 years old.*

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-23, No. 117.*

The child care arrangements used by full-time working mothers for their youngest child under 5 years old were not very different in 1982 than in 1977. There was, however, a noticeable increase in the percentage of women using group care facilities for their youngest child, from 14% of all mothers employed full-time in June 1977 to almost 19% in June 1982. (see Table 10).

A working mother is more likely to use group child care if she is: black, not presently married, college-educated, white collar worker, with a family income of $25,000 or more, and residing in central city areas.[5]

Table 10

Child Care Arrangements Used by Full-Time Employed Women, 18-44 Years Old for Their Youngest Child Under 5 Years, 1977-1982

	1977*	1982*
Number of mothers (in 1,000's)	2,645	3,263
Percent	100.0	100.0
Care in child's home	27.6	25.7
By father	9.4	10.3
By other relative	12.3	10.3
By nonrelative	5.9	5.1
Care in another home	46.1	43.8
By relative	20.3	19.7
By nonrelative	25.8	24.1
Group care center	14.3	18.8
Mother cares for child while working	7.3	6.2
Other arrangements	1.2	0.3
Don't know/no answer	3.4	5.3

**June data.*

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-23, No. 129.*

[5] *U.S. Bureau of the Census,* Current Population Reports, *Series P-23, No. 129, pp. 22-23.*

Education

1. In 1982, over one-half (51.7%) of children 3 to 5 years of age were in nursery or kindergarten programs, up from a little over 29% in 1966.

Since 1966, the number of 3-to-5-year-olds enrolled in preprimary school has risen 39% despite a decline of 21% in the total number of children of that age. In 1982, 5.1 million youngsters aged 3 to 5 were enrolled in nursery school or kindergarten (public and private programs), compared with nearly 3.7 million in 1966. This upswing in preprimary school enrollment is noteworthy because the number of children of those ages actually fell from 12.5 million to 9.9 million during the same period.

Blacks and whites were equally likely to be enrolled in preprimary school programs in 1982. In fact, the enrollment rates for black and white children have been similar over the past two decades.

Table 11

Preprimary School Enrollment of 3-to-5 Year-Olds, by Race, 1966-1982

		3-to-5 Year-Olds Enrolled in Preprimary School			
			Enrollment Rate		
	All 3-to-5 Year Olds (in 1,000's)	Number (in 1,000's)	All Races %	White %	Black %
1966	12,486	3,674	29.4	29.9	27.0
1970	10,877	4,104	37.5	37.8	34.9
1975	10,183	4,955	48.7	48.6	48.1
1980	9,284	4,878	52.5	52.7	51.8
1982	9,873	5,105	51.7	51.6	52.0

Source: U.S. Bureau of the Census, Current Population Reports, *Series P-23, No. 114 and* Statistical Abstract of the United States, *1984*

2. School enrollment rates among high school-age youths have shown a noticeable improvement over the past two decades, especially for blacks.

In 1960, proportionately fewer blacks (76.9%) than whites (82.6%) aged 16 and 17 were enrolled in school. By 1982, the difference in enrollment rates of blacks and whites had disappeared: more than 9 of every 10 teens 16 and 17 years old—white and black—were enrolled in school (see Table 12).

3. The high school dropout rate for whites was about the same in 1982 as in 1970 but that for blacks decreased.

In 1970, 10.8% of whites 14 to 24 years of age were high school dropouts, similar to the 1982 figure (11.2%). The high school dropout rate declined for blacks in all age categories shown in Table 13. While the dropout rate remains a bit higher for blacks than whites, the rate for white 16 and 17 year olds (7.6%) in 1982 was actually higher than that of blacks of that age (6.0%) (see Table 13).

Table 12

School Enrollment Rates, by Age and Race, 1960 and 1982

	Age			
	5-6	**7-13**	**14-15**	**16-17**
All Races				
1960	80.7%	99.5%	97.8%	82.6%
1982	95.0	99.2	98.5	90.6
Whites				
1960	82.0	99.6	98.1	83.3
1982	94.9	99.2	98.6	90.3
Blacks				
1960	73.3	99.1	95.9	76.9
1982	95.4	99.1	98.1	91.6

Source: U.S. Bureau of the Census, Statistical Abstract of the United States, *1984.*

Table 13

High School Dropouts 14 to 24 Years of Age, by Race and Age, 1970 and 1982

	Percent of Population	
	1970	**1982**
Total, 14 to 24 years	12.2	11.8
16-17 years	8.0	7.3
18-21 years	16.4	16.3
22-24 years	18.7	14.6
Whites, 14 to 24 years	10.8	11.2
16-17 years	7.3	7.6
18-21 years	14.3	15.2
22-24 years	16.3	13.7
Blacks, 14 to 24 years	22.2	15.5
16-17 years	12.8	6.0
18-21 years	30.5	23.0
22-24 years	37.8	20.5

Source: U.S. Bureau of the Census, Statistical Abstract of the United States, *1984.*

4. SAT scores of college-bound seniors are improving.

High school seniors planning to go to college did not do as well on their Scholastic Aptitude Tests in 1980 as their counterparts did in 1967. The decline in verbal and math test scores among males and females between 1967 and 1980 is shown in Table 14. There has been a a slight improvement, however, in both verbal and math skills between 1980 and 1984.

Table 14

SAT Scores of College-Bound Seniors, 1967-1984

Test Scores*	1967	1970	1975	1980	1984
Verbal, total	466	460	434	424	426
Male	463	459	437	428	433
Female	468	461	431	420	420
Math, total	492	488	472	466	471
Male	514	509	495	491	495
Female	467	465	449	443	449

**Minimum score 200; maximum score, 800.*

Source: Reprinted with permission from National College-Bound Seniors, 1984, *copyright © 1984 by the College Entrance Examination Board, New York.*

5. Growing proportions of high school students anticipate focusing on business and commerce areas of study in college.

In 1984, 19.1% of college-bound high school seniors said they wanted to focus on business and commerce areas of study in college, an increase from 11.5% in 1975. Engineering is also gaining in popularity as an intended area of study, rising from 6.7% in 1975 to 12% in 1984.

Table 15

Selected Intended Area of Study of College-Bound Seniors, 1975-1984

	1975	1979	1984
Business and commerce	11.5%	17.8%	19.1%
Health and medical	(NA)	15.5	15.1
Engineering	6.7	10.1	12.0
Social Science	7.7	8.2	7.3
Education	9.1	6.5	4.6
Computer Sciences/Systems Analysis	(NA)	(NA)	9.7

NA = Not available.

Source: Reprinted with permission from National College-Bound Seniors, 1984, *copyright © 1984 by the College Entrance Examination Board, New York.*

Economic Conditions

1. Children in families maintained by a woman are 10 times as likely as children in two-parent families to had family incomes under $5,000 a year.

The differences in economic conditions of children growing up in one-parent families and those in married couple families are striking. In 1982, for example, nearly 30% of children living in families maintained by a woman with no husband present had family incomes below $5,000 but only 3% of children in married-couple families had family incomes below that level. Over one-half of all children in married-couple families had family income of $25,000 or more compared to only 7% of children living in families maintained by a woman.

Table 16

Children in Families, by Total 1982 Family Income and Family Type, 1983

	Percent of Own Children 17 Years and Under in Families, 1983		
1982 Income	**All families**	**Married-Couple Families**	**Families Maintained by Women, No Husband Present**
Under $5,000	8.0%	3.1%	29.6%
$5,000-9,999	10.8	6.5	29.4
10,000-14,999	11.7	10.5	16.8
15,000-19,999	11.5	11.8	10.1
20,000-24,999	12.4	13.7	6.9
25,000 and over	45.5	54.5	7.2
Total	100.0	100.0	100.0

Note: Figures may not add to 100% due to rounding.
Source: U.S. Bureau of the Census, Current Population Reports, *Series P-60, No. 142.*

2. Children are more likely than adults to be living in poverty.

In 1983, about 22% of children under the age of 18 years lived in families below the poverty level. The poverty income threshold in 1983 for a family of 4 people was $10,178. The 1983 poverty rate for the total U.S. population was 15%. In contrast, the poverty rate in 1983 was below that of 1960, but has been on the rise through the 1970s and 1980s (see Table 17).

As in previous years, a greater proportion of black and Hispanic children were in poverty than white children in 1983. Some 46% of all black children under the age of 18 years were living in families with incomes below the poverty level in 1983, compared with nearly 38% of Hispanic children and 17% of white children.

Table 17

Children Below the Poverty Level, by Race and Spanish Origin, 1960-1983

	Poverty Rate (per 100)			
	1960	**1970**	**1980**	**1983**
All persons, all ages	22.2	12.6	13.0	15.2
Related children under 18 in families, all races	26.5	14.9	17.9	21.7
Whites	20.0	10.5	13.4	16.9
Blacks	50.0	41.5	42.1	46.3
Spanish origin*	(NA)	(NA)	33.0	37.8
Children under 18, in families with female householder, no husband present	68.4	53.0	50.8	55.4
Whites	59.9	43.1	41.6	46.9
Blacks	(NA)	67.7	64.8	68.5
Spanish origin*	(NA)	(NA)	65.0	70.6

**Persons of Spanish origin can be of any race.*

Source: U.S. Bureau of Census, Current Population Reports, *Series P-60, No. 145.*

Children in families with female householders are particularly prone to poverty. In 1983, 7 of every 10 black and Hispanic children and nearly 5 of every 10 white children in families maintained by women were living in poverty.

The number of children under 6 years of age in poverty could increase by nearly 1 million if the household poverty rate in 1990 equals the pre-recession level of 1979. The projected growth in the population of young children, together with an increasing share of children in families maintained by women, could result in a growing number of young children in poverty, according to some experts (see Table 18). However, a strong improvement in the economy could reduce the number of children living in poverty, especially among male-headed households, whose incomes are generally more sensitive to economic cycles than female-headed households.[6]

[6] *U.S. House of Representatives, Select Committee on Children, Youth, and Families,* Demographic and Social Trends: Implications for Federal Support of Dependent-Care Services for Children and the Elderly, *December 1983.*

Table 18

Number and Percent of Children Under Age 6 in Poverty in 1980 and Projections for 1990 by Age and Household Type

	Children in Households		
	All Households	**Female-Headed**	**Male-Headed**
1980			
Number in poverty (1,000's)	3,950	1,953	1,997
Percent in poverty	20	65	12
1990*			
Number in poverty (1,000's)	4,918	2,711	2,207
Percent in poverty	21	62	12
1980 to 1990			
Total additional children (1,000's)	3,533	1,399	2,135
Additional children in poverty (1,000's)	968	758	210
Additional poor as percent of total additional (1,000's)	27	54	10

**Projections assume 1990 poverty rates equal to those in 1979.*

Source: U.S. House of Representatives, Select Committee on Children, Youth, and Families, Demographic and Social Trends: Implications for Federal Support of Dependent Care Services for Children and the Elderly, *December, 1983.*

3. One in 9 children in the U.S. receives some assistance from Aid to Families with Dependent Children.

The proportion of children receiving AFDC rose from 3.5% in 1960 to 11.9% in 1975. Since 1975, the proportion of children receiving aid under this government program has remained about the same (see Table 19).

An increasing proportion of families that receive AFDC are eligible for assistance because of divorce or separation or because of out-of-wedlock births. Divorce or separation were the primary bases for AFDC eligibility in 1979—44.7%, up from 27.4% in 1969. Out-of-wedlock births were the primary eligibility basis for 37.8% in 1979, compared with 27.9% in 1969.

4. One in 4 households with children receives noncash benefits such as school lunches, food stamps, Medicaid and subsidized housing.

In 1982, 25.8% of all households with children under 19 years of age received one or more of the following noncash government benefits: free or reduced-price school lunches, food stamps, Medicaid and subsidized

housing (see Table 20). The 1982 figures represents a slight increase from 23.4% in 1979. Of the four programs, more households with children participate in the school lunch program—16.5% in 1982—than in food stamps (14%), Medicaid (12.7%) and subsidized housing (4.7%).

Table 19

Percentage of Children Under 18 Years of Age Receiving Aid to Families With Dependent Children, 1960-1981

	Percentage
1960	3.5
1965	4.5
1970	8.7
1975	11.9
1980	11.9
1981	11.3

Source: U.S. House of Representatives, Select Committee on Children, Youth and Families, U.S. Children and Their Families: Current Conditions and Recent Trends, May 1983.

Table 20

Percentage of Households with Children Under 19 Years of Age Receiving Noncash Benefits, 1979 and 1982

	Percent	
	1979	**1982**
Free or reduced-price school lunches	14.6	16.5
Food stamps	11.8	14.0
Medicaid	12.1	12.7
Subsidized housing	3.5	4.7
One or more of above	23.4	25.8

Source: U.S. Bureau of the Census, Current Population Reports, Series P-60, Nos. 135 and 141.

5. A typical middle income family with two children and a mother who works part-time will spend $98,000 (in 1981 dollars) to raise a child and send her or him to a 4-year public college.

A recent Urban Institute study concludes that the total cost of raising and educating a child varies considerably according to the parents' income and education, mothers' employment status, family size, U.S. region of residence, metropolitan or nonmetropolitan residence, and type of postsecondary education (if any) a child receives. At the one extreme, a high income couple with one child whose mother works full time and year around can expect to

spend $163,200 (in 1981 dollars) to raise their child and educate him or her in a private 4-year college. At the lower end of the scale, a lower income family with 3 children whose mother does not work for pay can commit $64,760 per child (in 1981 dollars) if that child attends a 2-year public college.

The number of children in a family is the most important gauge of a family's total expenditures for child rearing. Families with 1 child can expect that 30% of the family's total expenditures will go to raising their child. In families with 2 children, the proportion is 40% to 45%; in 3-child families, it is nearly 50%.

The costs of raising and educating a child in what can be considered to be a typical American family—one with a median income, a part-time working mother and two children—is shown in Table 21 in terms of 1981 dollars and in dollars that are projected under three different inflation scenarios. In the low inflation scenario, inflation rates are projected at an average 5.2% annually; median inflation assumes 8.0% annual average; high inflation assumes 9.3% annual rates. With low inflation, the direct expenditures for child rearing to age 18 would be $149,150 per child—or $196,480 if that child attends a 4-year public college. Under high inflation, those figures are $227,700 (to age 18), or $275,030 including a 4-year public college.

Table 21

Total Parental Expenditures for Raising a Child in a Medium-Income, Two-Child Family (in 1981 dollars and in inflation-adjusted dollars)

	Direct Expenditures to Age 18*	Four Years of College	Total
In 1981 dollars	$ 82,400	$15,492**	$ 97,892**
		27,540†	109,940†
In inflation-adjusted dollars			
High inflation (9.3% annually)	227,700	47,330**	275,030**
		82,830†	310,530†
Medium inflation (8.0% annually)	199,650	47,330**	246,980**
		82,830†	282,480†
Low inflation (5.2% annually)	149,150	47,330**	196,480**
		82,830†	231,980†

**Assumes the two children are born in 1981 and 1983 and that the mother works part-time.*

***Projected cost for four years at a state university for a child born in 1976.*

†Projected cost for four years at a private college for a child born in 1976.

Source: Thomas J. Espenshade, Investing in Children: New Estimates of Parental Expenditures, Urban Institute Press, Washington, D.C. 1984. © by The Urban Institute, Washington, D.C., Reprinted with permission.

Children in Trouble

1. The suicide rate for teenagers has more than doubled over the past two decades.

The suicide rate for youths aged 15 to 19 rose from 3.6 per 100,000 population in 1960 to 8.5 per 100,000 in 1980. Suicide is more common among white teenage boys than among black male youths or female teens (see Figure C). The 1980 suicide rate among white males 15 to 19 years of age was three times that of black males, and nearly 5 times that of white females.

Since 1960, the suicide rate has increased for youths of both sexes and for blacks and whites alike, but white males showed the largest increase.

For information on other causes of death among children and young adults, see *DataTrack* 11, "The Public's Health," 1983.

Figure C

Death Rates from Suicide for Persons Aged 15-19 Years, by Race and Sex, 1960-1980

Source: U.S. National Center for Health Statistics, published and unpublished data.

2. *More than 1 in 4 teens is a current user of alcohol and more than 1 in 10 currently uses marijuana.*

According to a 1982 government survey, 26.9% of teenagers 12 to 17 years old said they had an alcoholic drink at least once in the month prior to the survey. This figure was up slightly from 24% in 1972. In 1982, over 65% of youths 12 to 17 years of age said that they had used alcohol at one time or another.

The survey also reported an increase in the use of marijuana—from 7% in 1972 to 11.5% in 1982, while the use of cocaine was up from 0.6% to 1.6% during the same period. Although cigarette smoking among teenagers declined from 17% in 1972 to 14.7% in 1982, nearly one-half of the youths said that they had smoked cigarettes at one time.

Table 22

Drug Use Among Youths 12-17 Years Old, by Type of Drug, 1972 and 1982

Percent

	Ever Used		Current User*	
	1972	1982	1972	1982
Marijuana	14.0	26.7	7.0	11.5
Inhalants	6.4	(NA)	1.0	(NA)
Hallucinogens	4.8	5.2	1.4	1.4
Cocaine	1.5	6.5	.6	1.6
Heroin	.6	(†)	(†)	(†)
Analgesics	(NA)	4.2	(NA)	2.6
Stimulants**	4.0	6.7	(NA)	1.3
Sedatives**	3.0	5.8	(NA)	.9
Tranquilizers**	3.0	4.9	(NA)	.7
Alcohol	(NA)	65.2	24.0	26.9
Cigarettes	(NA)	49.5	17.0	14.7

**Those using drug at least once within month prior to study.*

***Prescription drugs.*

†Less than 0.5%.

NA = Not available.

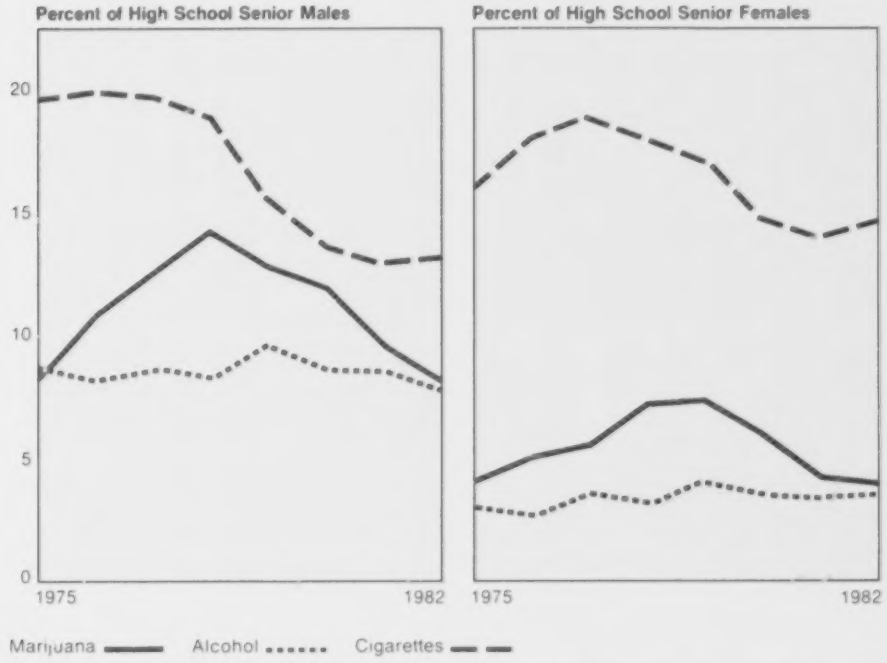
Source: U.S. Bureau of the Census, Statistical Abstract of the United States, *1984.*

There is some indication, however, that the frequent use of marijuana (20 or more times during the past 30 days) is on the decline among youths. Since 1975, national studies of high school seniors show frequent marijuana use peaking at 14.2% for high school senior males in 1978 and at 7.3% for females in 1979. The proportions of frequent marijuana users among high school seniors subsequently declined to 8.2% for males and 3.9% for females in 1982 (see Figure D).

The proportion of high school seniors who are frequent users of cigarettes has shown a fairly consistent drop since 1975. Frequent alcohol use was at a slightly lower level in 1982 than in 1979 among high school senior males and females alike. In 1982, 7.7% of males and 3.4% of females said they had had alcohol on 20 or more occasions during the past 30 days.

Figure D

Frequent Use of Marijuana, Alcohol, and Cigarettes by High School Seniors, 1975-1982



Note: For alcohol and marijuana, frequent use is defined as use on 20 or more occasions during the past 30 days; for cigarettes, it is smoking a half-pack or more per day during the past 30 days.
Source: U.S. National Center for Health Statistics, Health, United States, *1983.*

3. In 1982 there were 929,310 official reports of child maltreatment in the U.S., representing an estimated 1.3 million children.[7]

Since 1976—the first year data from the the National Study on Child Neglect and Abuse are available—the total number of official reports of child maltreatment jumped 123%, from 416, 033 to 929,310.[8] The large annual increases in reported maltreatment for the years 1976 to 1980 reflect for the most part an increase in public awareness and in reporting such incidents to public officials. However analysts suggest that recent increases may be due to an actual rise in the incidence of child maltreatment.

"Neglect" was the most frequent type of reported maltreatment case. In 1982, neglect alone accounted for 43% of the cases, or, when coupled with "abuse" it made up a total of 62%. By itself, "abuse" accounted for 26% of reported maltreatment cases.

The average age of children involved in maltreatment cases was 7 years old, although in over 4 of every 10 cases, the child was 5 years or under. An overwhelming majority of the children were abused or neglected by their own parents. The perpetrator was a natural parent of 85% of the children involved; 8% were step/adoptive/foster parents; 4% were other relatives; and 3% were nonrelatives.

In more than 6 of every 10 cases (62%), maltreatment of children involved deprivation of basic necessities. (See Table 23.) Minor physical injuries (17%) and emotional maltreatment (10%) followed in order of frequency. Additionally, 7% were sexual abuse cases, with adoptive/foster and step parents being disproportionately represented among the sexual abusers.

Table 23

Type of Reported Maltreatment of Children, 1982

Type of Maltreatment	Percent of Cases*
Deprivation of necessities	62
Minor physical injuries	17
Emotional maltreatment	10
Sexual maltreatment	7
Unspecified physical injury	5
Major physical injury	2
Other maltreatment	9

**Cases documented by child protection services (CPS) agencies nationwide during 1982. (N = 331, 544)*

Note: Total does not add to 100%, due to the possibility of reporting more than one type of maltreatment per child.

Source: The American Humane Association, Highlights of Official Child Neglect and Abuse Reporting 1982. *© Copyright 1984 by the American Humane Association. Used with permission.*

[7] *Exact statistics on the incidence of child abuse and maltreatment in the U.S. are not determinable. Many instances of child maltreatment go unreported. Thus data based on official reports to government agencies underestimate the scope of the problem in America today.*

[8] *Data collected represent only child neglect and abuse cases reported to state departments of social services.*

Attitudes

1. The concern among teenagers about war and nuclear disaster has grown markedly over the past decade.

Students in junior and senior high schools surveyed in 1974 worried most about overpopulation and environmental preservation as world problems.[9] By 1983, students placed much less emphasis on these problems. The top world concerns among youth in 1983 were nuclear disaster—cited by nearly one-third of all students (31.7%)—and the threat of World War III, mentioned by 21.3%. Students were in agreement on their main global concerns, regardless of their age, their geographic residence or their family's income.

Table 24

High School Students' Perceptions of Most Important World Problems, 1983

	1983
Nuclear disaster	31.7%
Threat of World War III	21.3
Poverty	15.1
Overpopulation	10.5
Environmental problems	6.5
Energy	4.3
Unemployment	1.5
Inflation/Economy	1.0

Source: The National Association of Secondary School Principals, The Mood of American Youth. © *The National Association of Secondary School Principals, 1974 and 1984. Used with permission.*

In terms of national problems, youths place unemployment far ahead of other issues of concern to them. Unemployment was cited by 52% as the most important national problem in 1982, followed by inflation (21.1%) and violence/crime (20.8%). Students in the 1974 survey identified a very different list of problems, when politics and ecology were the top issues. Racial tension was considered a problem by over one-third of the survey participants in 1974, compared with less than 3% of the 1983 respondents. Consumerism has also declined in importance, as noted in Table 25.

2. Drugs lead the list of the worst influences on young people today.

Close to one-half (46.6%) of the students surveyed in 1983 named drugs as the worst influence on young people. Next on the list—but far behind drugs—was alcohol (10.9%) and then peer pressure (9.3%). Peer pressure was cited more frequently by girls (11.4%) than boys (6.9%) (see Table 26).

[9] *The National Association of Secondary School Principals,* The Mood of American Youth, *1984.*

Table 25

High School Students' Perceptions of Most Important National Problems, 1974 and 1983

1974	%	1983	%
1. Politics	69.1	1. Unemployment	52.0
2. Unemployment	53.0	2. Inflation	21.1
3. Ecology	51.8	3. Violence/Crime	20.8
4. The economy	48.3	4. Poverty	6.4
5. Welfare	43.0	5. Health and welfare	5.5
6. Racial tension	33.9	6. Energy	4.9
7. Urban crisis	24.8	7. Social Security	3.9
8. Consumerism	24.6	8. Sex discrimination	3.1
9. Energy crisis	12.5	9. Ecology	2.9
10. Drugs	1.5	10. Racial tension	2.6

Source: The National Association of Secondary School Principals, The Mood of American Youth. © *The National Association of Secondary School Principals, 1974 and 1984. Used with permission.*

Table 26

Ten Worst Influences on Young People in 1983

	1983
1. Drugs	46.6%
2. Alcohol	10.9
3. Peer pressure	9.3
4. Television	7.2
5. Violence	6.9
6. Sex/Poor morals	5.4
7. Parents/Elders	4.3
8. Threat of war	3.4
9. Unemployment	3.3
10. Music	1.9

Source: The National Association of Secondary School Principals, The Mood of American Youth. © *The National Association of Secondary School Principals, 1984. Used with permission.*

3. College, a successful career and marriage are top goals of students.

Over one-half of the students in the NASSP survey in 1983 said they planned to attend a four-year college after graduating from high school, an increase from one-third in 1974. Adding those who planned to enroll in junior colleges or vocational and training schools, the total proportion of students who expect to extend their education beyond high school rose to nearly 85% in the 1983 survey, compared with 60% in 1974.[10]

Careers are also on the minds of students today. When queried about the one thing they want out of life, "career success" was the one answer mentioned most frequently in 1983 (27.6%). "Happiness" (25.7%) and "marriage/family" (20.8%) followed closely in second and third place (see Table 27).

Table 27

The One Thing That Students Want Out of Life, 1983

Items	% All	% Males	% Females
Career Success	27.6	26.5	28.5
Happiness	25.7	18.0	32.4
Marriage/Family	20.8	18.5	22.7
General Success	9.8	12.0	7.9
Financial Success	7.0	9.1	5.2
Long/Enjoyable Life	4.2	6.0	2.7
Education	3.2	3.1	3.2
Religious Satisfaction	3.2	3.1	3.3
Friends	3.1	3.1	3.1
Personal Success	3.1	2.5	3.7
Health	2.9	2.9	2.9
Love	2.4	.9	3.7
Peace of Mind	.6	1.1	.2
Home	.4	.5	.4
Freedom/Independence	.4	.7	.2
All Others	5.3	7.1	3.7

Source: The National Association of Secondary School Principals, The Mood of American Youth. © *The National Association of Secondary School Principals, 1984. Used with permission.*

[10] *The National Association of Secondary School Principals,* The Mood of American Youth, *1984.*

Computer-related careers were the most popular career choices of students in 1983. Boys were twice as likely to be interested in computer careers as girls—22.9% vs. 11.3%. Nonmanagement business careers were also a top choice of girls (11.2%), followed by teaching (9.4%), medical doctor (8.7%) and miscellaneous medical careers (8.7%) (see Table 28).

Marriage is also among students' life plans. In 1983, most said they expected to get married and have children. Attitudes about mixing careers and motherhood are fairly traditional. Sixty percent of the students thought women with preschool-age children can successfully combine part-time employment and family responsibilities, while fewer than 20% felt that full-time work and family duties were compatible. And 20% did not believe that mothers should be employed at all before their children were in school.

Table 28

Careers That Students Are Interested in Pursuing, 1983

Careers	% All	% Males	% Females
1. Computer Related	16.7	22.9	11.3
2. Business, Non-Management	7.3	2.9	11.2
3. Miscellaneous Medical	6.7	4.5	8.7
4. Medical Doctor	6.6	4.2	8.7
5. Teaching	5.6	1.1	9.4
6. Law	4.6	4.0	5.0
7. Engineering	4.2	7.1	1.7
8. Accounting	3.8	2.0	5.4
9. Professional Sports	3.8	6.9	1.2
10. Business Management	3.1	2.7	3.5

Source: The National Association of Secondary School Principals, The Mood of American Youth. *© The National Association of Secondary School Principals, 1984. Used with permission.*

Some Implications for Life Insurance Companies

- The fluctuations in the birth rate over the past four decades will affect future life insurance markets. In 1981, for example, 6 of every 10 ordinary life insurance policies issued were on the lives of men and women 20 to 39 years of age. Between 1982 and 1990, the number of people in this age group will grow by 5 million, as the last of the Baby Boomers move through their twenties. But in the 1990s, the number of people in their prime life insurance buying years will decrease by 6.8 million. Thus many companies focusing on this market can expect a declining demand for their products in the last decade of this century as this market segment declines in size.

- "For much of human history, substantial numbers of children experienced the loss of one or both parents. But the usual cause of family disruption in the past was the death of a parent. Now the reasons are more likely to be separation, divorce, or birth out of wedlock."[11] Divorce has an especially hard impact on the finances of women and the children who are in their custody. (See *DataTrack* 13, "Women and Money.") There is a need for financial protection for ex-spouses and children of divorced parents. How are life insurance companies responding to the need to help protect the income of families during and after marital disruption?

- Employee benefits offered by American businesses can play an important role in enabling workers to meet family obligations. Several demographic factors may make employer-supported child care one of the fastest growing employee benefits of the 1980s: 1) the echo of the Baby Boom, expected to continue until 1990; 2) increasing numbers of one-parent families; and 3) growing labor force participation rates of mothers—especially those with young children. In 1984 an estimated 1,850 employers—private and public—offered child care assistance in some way, such as child care centers, referral services, reimbursement, and educational programs. An additional 1,000 employers are estimated to be "paying attention" to their employees' work and family needs in some other way. Those numbers have mushroomed in the past few years.[12] How are life insurance companies preparing for the increasing need and demand for such benefits? Advanced planning and preparation are particularly important because the need for new and different fringe benefits is emerging in an especially cost-conscious environment where the pressure for curtailing the expansion of employee benefits—or for reducing them—is high.

- Investment experts following changing demographic trends say that many signs point to increasing investment opportunities among businesses that focus on children's markets. Not only is there a large number of babies being born these days, but these babies are much more likely to be first or second children, or to be part of second (or third) marriages. And many of these new parents are two-paycheck couples in their late 20s or 30s with above-average discretionary income. Experts translate these trends into more expenditures during the next decade on toys, crayons, children's wear and furnishings, baby food, photographic supplies and equipment.

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[11] *Testimony of Nicholas Zill, Executive Director, Child Trends, Inc., before U.S. Senate Subcommittee on Family and Human Services, March 1983.*

[12] *Sandra L. Burud, Director, National Employer Supported Child Care Project.*

- Fewer teens in the 1980s means a diminishing pool of entry level workers. Further automation of the life insurance business may be needed to compensate for a decline in the entry level work force in the years ahead. How can companies improve their recruiting and screening techniques to attract new agents? And what kinds of compensation and home office support programs will be needed to retain new members of the agency force?
- Are personnel policies sensitive to employees' family concerns and to the changing demographics of the American household? For example, companies may wish to consider the needs of the whole family when relocating workers to new areas of the country. Some businesses have offered relocation help to spouses and children. Some programs include the preparation of materials that are sensitive to children's concerns and fears about the pending move, including books for young children on issues such as a new house, new school and classmates, and leaving friends behind.
- Children in the U.S. today are being raised under vastly different circumstances than their parents or grandparents. More than ever before, the human relationships touching the lives of children today involve a complex network: parents, grandparents, great-grandparents, step-parents, step-families, baby sitters, day care playmates. Children are spending more time out of the home and less time being supervised by their own parents. How will these changing relationships affect this generation's feelings of responsibility toward their elderly parents? Can we expect children whose parents put them in day care to take care of their aging parents? What will their attitudes be concerning financial responsibilities toward their own children? What will their views be in terms of the financial protection of life insurance?